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Official Report of Debates (Hansard)

Tuesday 26 February 2013

Journal des débats (Hansard)

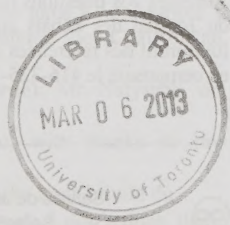
Mardi 26 février 2013

Standing Committee on Estimates

Organization

Comité permanent des budgets des dépenses

Organisation



Chair: Michael Prue
Clerk: Valerie Quioc Lim

Président : Michael Prue
Greffière : Valerie Quioc Lim



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Hansard Reporting and Interpretation Services
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 26 February 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 26 février 2013

The committee met at 0903 in room 151.

ELECTION OF CHAIR

The Clerk Pro Tem (Mr. Katch Koch): Good morning, honourable members. Welcome to the Standing Committee on Estimates. My name is Katch Koch. I'm the Clerk of your committee.

It is my duty to call upon you to elect a Chair. Pursuant to standing order 117(c) and the sessional paper that was tabled in the House on November 24, 2011, the Chair of the Standing Committee on Estimates must be a member of the third party. Are there any nominations? Mr. Natyshak?

Mr. Taras Natyshak: I nominate Michael Prue.

The Clerk Pro Tem (Mr. Katch Koch): Mr. Prue, do you accept the nomination?

Mr. Michael Prue: With pleasure, and thanks to my nominator.

The Clerk Pro Tem (Mr. Katch Koch): Okay. Are there further nominations?

There being no further nominations, I declare the nominations closed and Mr. Prue duly elected Chair of the committee.

Mr. Prue, I ask you to take the chair, please.

ELECTION OF VICE-CHAIR

The Chair (Mr. Michael Prue): The second item on the agenda is the election of a Vice-Chair. I understand, Mr. Flynn, you have a nomination.

Mr. Kevin Daniel Flynn: I do have a nomination. I move that Mr. Natyshak be appointed Vice-Chair of the committee.

The Chair (Mr. Michael Prue): Mr. Natyshak, do you accept?

Mr. Taras Natyshak: I do, with thanks to my nominator.

Mr. Kevin Daniel Flynn: It's the least I could do.

The Chair (Mr. Michael Prue): I don't think there will be any further nominations. I'll move that nominations be closed and declare that Mr. Natyshak be appointed Vice-Chair.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Mr. Michael Prue): The next item of business, number 3, is the appointment of a subcommittee on committee business, and I understand, Mr. Harris, you have a motion.

Mr. Michael Harris: I do have a motion.

I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting; and

That the subcommittee be composed of the following members: the Chair as Chair, Mr. Crack, Mr. Leone, Mr. Natyshak; and

That substitution be permitted on the subcommittee.

The Chair (Mr. Michael Prue): You have a motion moved by Mr. Harris, is there any discussion on the motion? Are you ready to vote?

All those in favour of the motion? Opposed? That's carried.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): We are now into other business. The main item of business here will be to discuss—or to receive, I guess—documentation from the Ministry of Health. All members have before them a copy of certain documents from the Ministry of Health related to questions that were asked of this committee prior to prorogation. They were provided, so you have those. These, I am given to understand from the Clerk, are noncontentious. The Clerk also has some information I would like him to relate, and then we need to have a discussion on what to do with the other documents.

First of all, can I have a motion to receive these ones that we've received?

Mr. Kevin Daniel Flynn: So moved.

The Chair (Mr. Michael Prue): Moved by Mr. Flynn. Any discussion on that? Okay.

All those in favour? That's carried.

The next set of documentation may be sensitive, and it is the Clerk's suggestion, and I concur with him, that we go into closed session to discuss the remaining documents. Can we have a motion to that effect?

Mr. Kevin Daniel Flynn: So moved.

The Chair (Mr. Michael Prue): Moved by Mr. Flynn. Any discussion?

Seeing none, all those in favour? Opposed? That's carried.

We're now going into closed session to discuss the remaining documents.

The committee continued in closed session from 0910 to 1615.

The Chair (Mr. Michael Prue): I put the gavel down. The meeting is resumed. We are now back out of camera—out of being in camera; I'd better be specific here—and we are in open session.

The time now is for motions and public discussion. I would recognize Mr. Harris.

Mr. Michael Harris: I'd like to table a motion.

The Chair (Mr. Michael Prue): You have to read it into the record.

Mr. Michael Harris: Okay.

That the documents produced to the committee from the Ministry of Health, with the exception of those identified by the ministry as sensitive and delivered to committee in sealed envelopes, be exhibited as public documents forthwith;

That a copy of the documents deemed sensitive be reviewed by the Ministry of Health's freedom of information and personal privacy act officer and that information of a personal nature contained in these documents be redacted using the generally accepted definitions of personal information contained in the FIPPA by Wednesday, March 6, 2013;

That, by noon on Wednesday, March 6, 2013, the Ministry of Health's FIPPA officer shall produce the copy of those documents to the Legislative Assembly's FOI coordinator, who shall then examine and compare the redacted documents to the original unredacted documents, provide a report to the Clerk of the Committee by Thursday, March 14, 2013, and that that report clearly note whether or not the ministry complied with the committee's order;

That, in the event of an adverse opinion reached by the assembly's FIPPA officer over that of the ministry's FIPPA officer, the document in question where an adverse opinion has been rendered shall be exhibited as a public document;

That the estimates committee shall meet again on March 20, 2013, at its regular time to receive the remaining documents.

The Chair (Mr. Michael Prue): Discussion? Mr. Bisson and then Mr. Mauro.

Mr. Gilles Bisson: Thank you. I'm a bit uncomfortable on this and I just want to lay out the reasons why succinctly. One is that there is a right by committees and by this House to be able to request documents from whomever as it deals with the business of a committee. Clearly in this case there was a motion that was put forward in order to be able to ask for documents, and those documents must be provided. That's the first part.

The second part is that the argument here somewhat is that there should be some redaction of the documents.

That is somehow difficult, in my view, because we all of a sudden get into a situation where—that, to me, is a bit problematic because if the committee starts getting into the business of redacting its documents as we're making requests, we're setting a precedent, and I don't like the idea of the precedent of a committee getting documents that are being redacted by whomever. There's a clear right on the part of members to ask for documents. Those documents should be provided, and then I think it's up to members to figure out themselves what is proper and what's not proper as far as releasing. If there's private and confidential information, such as a person's bank account or SIN number or whatever it might be, I would fully expect that members don't release that kind of information. That's normally, I think, the way that things should go. But if we start getting into the business of limiting what documents and how documents are released to committee, you're setting a precedent, and it's a precedent that will have to be followed in the future.

The Chair (Mr. Michael Prue): Mr. Mauro.

Mr. Bill Mauro: Just a first, process question: Is there a limit on the number of rounds you can speak in this committee?

The Chair (Mr. Michael Prue): No, there is not.

Mr. Bill Mauro: A question on the motion, the last paragraph, speaking to the date of March 20: Are we able to actually have a date in there? We can't meet again, as I understand it, until 12 sessional days after the budget has been tabled. Does that paragraph need to be reworded to reflect that reality?

1630

The Chair (Mr. Michael Prue): The committee can meet if there is business before the committee. This would be ongoing business, so this would be the only thing we could meet on. We couldn't meet on the new budget or anything—

Mr. Bill Mauro: Well, what it is that we would do if we met when the—

Interjection: Well, we would bring you the documents—

The Chair (Mr. Michael Prue): This motion says just to receive the documents.

Mr. Bill Mauro: To receive the documents.

The Chair (Mr. Michael Prue): Yes.

Mr. Bill Mauro: I want to thank the member from the official opposition and their members for the motion. It is close to the comments that I was going to make. There's been a few comments made in here today about precedents. It would seem to me that where the third party is interested in going would not be a precedent, insofar as that historically I think committees of this Legislature—and some of you in this place have a lot more time here than me; some not as much—I think historically I would be correct in saying that it's not unusual for committees to request documents and that they would come redacted, and that personal information, commercially sensitive information, private personal information would not be included. So it wouldn't seem to me that this would be particularly precedent-setting.

I was also going to say in open session pretty much what's contained in here; that is, why would we not go at this in two phases, and that's kind of what you're suggesting. Let's get the documents—and let's be clear, understanding the Speaker's ruling and understanding the commitment that many of our members and the Premier herself have made publicly in the Legislature to all documents coming forth to the committee, that clearly we're saying "Fine," but historically a lot of that information has been redacted. So the Conservative motion speaks directly to that. Let's get it first. Then let's let the privacy officer at the Ministry of Health take out—why would I want to see somebody's social insurance number? Why do I want that? Why do I want to see somebody's bank account number? There are some things that are so obviously not necessary to be contained in the documents that we're going to receive. The argument that, "Well, we know better and we're not going to do anything with it"—why would you want it in the first place? There are some things that I would say obviously have no need to come to us in the first instance.

When you receive the package, I think the motion speaks to where I would probably have wanted us to go, and that is, let the people responsible for that kind of legislation deal with it. I suppose at some point, if you're still not satisfied, the committee could always ask for more. But at first blush, I'm sure there's going to be more debate on this. I appreciate what's come before us. Thank you, Mr. Chair.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: I actually appreciate the remarks Mr. Mauro just made. I'm particularly hesitant when it comes to SIN numbers, credit cards, bank statements—and not just the statements there but the bank account numbers. Just to know that that kind of information could actually leave the confines of this committee is dangerous. And I do want to make clear that we're talking about the freedom of information and personal privacy act provisions that have been flagged as sensitive. We're not talking about the sub judice rule; we're not talking about things that might be subject to solicitor-client privilege, as the Speaker has ruled that is permissible for us to receive documents in the manner that would require us to do.

I appreciate Mr. Bisson's point that we don't want to place restrictions on members in terms of the documents that they receive; I agree with that. I don't think that having a conversation about how that information is released prejudices that perspective that members are entitled to information. And Mr. Mauro is correct: We can change our mind a little later if we decide that what's come forward, what's been redacted, we do need to examine further.

So I'm interested in getting the documents that haven't been flagged as sensitive today. I want to see them; they will be public, from that perspective. Then once it's been vetted by the appropriate people, from the minister's office—and it has to be said that it's just not the minister's office that's going to do the flagging; it's also going to be the assembly's freedom of information and

personal privacy act officer who will also get a chance to review. They're going to compare notes. Where there is a discrepancy, those documents are going to be public.

So that is what's contained within this motion. I would rather have us access some documents today, start reviewing them and receiving what can be released at a later time debated going forward. I do want to say to my colleague Mr. Harris's motion that I hope this committee would consider it. I think that it strikes the appropriate balance with respect to what this committee needs to do in terms of its work, and that we can start getting the answers to questions that we've had lingering here for several months.

The Chair (Mr. Michael Prue): Okay. Before I go to Mr. Wilson and then to Mr. Crack, just what you've stated—I think the intent of the motion—and I want everybody to read and understand—is that "the documents produced to the committee from the Ministry of Health, with the exception of those identified by the ministry as sensitive and delivered to committee in sealed envelopes, be exhibited as public documents forthwith."

What this is saying is that only certain documents would be released publicly; the others would be held for the public. But what this also says, as I'm reading it—and I want to make sure—is that the members would be entitled to all documents. It's not that you would be reviewing some of them; you would be reviewing all of them. But those that are out in the public, that the Clerk is required by law to exhibit as public documents—this would allow you to see them all, but only allow certain ones to be available to the public at this time.

I just wanted to make sure, because that isn't what you said, and I want to make sure you understand the intent of the motion.

Mr. Rob Leone: That's not how I read it.

The Chair (Mr. Michael Prue): That's exactly how that's read.

Interjections.

Mr. Michael Harris: Well, it says "with the exception of those identified by the ministry as sensitive."

The Chair (Mr. Michael Prue): Yes—"and delivered to committee in sealed envelopes." So the committee would get those in sealed envelopes, and then the others would be "exhibited as public documents." As the Clerk nods, that's the way it reads.

Mr. Kevin Daniel Flynn: But the personal stuff would not be—

The Chair (Mr. Michael Prue): The personal stuff would not be made public, but would be made available to the nine members of this committee.

Mr. Kevin Daniel Flynn: Okay. That's not how I'm reading this, then. It's the second paragraph that we need explained by the mover, maybe.

Interjection.

Mr. Michael Harris: It would be released—that's why we would come back on the 20th, after those—to the assembly's FOI coordinator—

The Chair (Mr. Michael Prue): To release those documents to the public.

Mr. Michael Harris: That have been redacted.

The Chair (Mr. Michael Prue): Yes.

Mr. Michael Harris: That's correct.

The Chair (Mr. Michael Prue): All right. I just want people to understand, because this is complex. I don't want people voting on something they don't understand.

Interjection.

Mr. Grant Crack: Explain it again, Mr. Chair, please.

The Chair (Mr. Michael Prue): My reading—and the Clerk is indicating to me that he agrees—is that the documents that were produced to the committee—those that are in the possession now of the Clerk—"from the Ministry of Health, with the exception of those identified by the ministry as sensitive and delivered to committee in sealed envelopes"—so the committee would get those—that those documents, save and except those that are sensitive and in sealed envelopes, "be exhibited as public documents forthwith."

So we would get all the public documents, and we would get an envelope—

Mr. Michael Harris: The sensitive ones.

The Chair (Mr. Michael Prue): —of sensitive ones to the nine people in this committee. Then, on March 20, after people have looked through and determined which ones can be redacted or which ones ought not to see the light of—

Mr. Michael Harris: What parts should be redacted.

The Chair (Mr. Michael Prue): Yes—should not see the light of day, then we would make that determination as a committee on the 20th. This is what this reads.

Mr. Kevin Daniel Flynn: I need to move, then, Mr. Harris, to explain the second paragraph when it's his turn to speak, if you would.

The Chair (Mr. Michael Prue): All right. I don't have him down to speak. I have, first of all, Mr. Wilson and then I have Mr. Crack.

Mr. Wilson.

Mr. Jim Wilson: As House leader of the official opposition, we drafted this for committee members' consideration—to put it in layman's terms—to make sure there was a double check of the documents before they were all just put out in the public domain and that somebody innocent wasn't going to have personal, sensitive information out there. Your examples, Mr. Mauro, are bang on: SIN number and that. You're still going to get the names, you're still going to get all the documents, and you're going to use your best judgment, as a committee of sober second thought, as to what really should be released and what shouldn't be.

1640

It doesn't exempt commercially sensitive information; I think somebody was under the impression on the Liberal side that maybe it does. It's meant to be in the judgment of the FIPPA officers both of the assembly and of—not the minister's office. The FIPPA officer at the Ministry of Health, as in all ministries, is a separate and independent individual from the minister's office. The minister will also have a ministerial assistant keeping an

eye on all of this, but whatever is released is done by the FIPPA officer separate from the politicians and their staff.

So it's just meant to be a safeguard; it's not meant to be tricky of any type or anything. Obviously the intent of the opposition here, the PCs, and I think all of us here in the room, is to have transparency. We just didn't want some innocent people who had nothing to do with any wrongdoings at eHealth getting caught just because we did a document dump in the public without actually looking at the documents.

Mr. Chairman, I do agree with your interpretation. This was also drafted in conjunction with the Legislative Assembly's Clerk's office.

The Chair (Mr. Michael Prue): Mr. Crack.

Mr. Grant Crack: I just want to bring to the committee's attention that the request has been made to the Ministry of Health concerning the redaction, but in fact, this would be done by the freedom of information coordinator through eHealth. My concerns are with the actual timeline: one week by the time the request is made. I would, if possible, amend the motion to put the date—instead of March 6, perhaps once we return from March break would be more reasonable. There's a number of documents there, and I think it would be fair to the organization to allow them time to do a thorough job in what we're requesting.

The Chair (Mr. Michael Prue): Well, if you make the motion—could you name a specific date to amend the motion? I'll deal with your amendment; you have the floor.

Mr. Grant Crack: How about the Wednesday after the March break? Does anybody have that date?

Interjections.

The Chair (Mr. Michael Prue): The Wednesday after is the 20th, which is the date in this motion that we would be returning. You would have to move two amendments.

Mr. Grant Crack: So I'll amend the date to the 20th, and then perhaps the committee could meet again on the 27th. That would be my motion. It would give everyone a week.

Mr. Jim Wilson: So March 6th would be replaced by the 20th?

The Chair (Mr. Michael Prue): Okay, just so everybody is clear, the motion made by Mr. Crack is to change the March 6th date to March 20th. You would have to also change the Thursday, March 14th date to Thursday, March 21st, and then you would have to change the March 20th date to March 27th.

Mr. Grant Crack: Right.

The Chair (Mr. Michael Prue): That's the amendment that's on the floor now. Any discussion on the amendment? Mr. Harris.

Mr. Michael Harris: Yes, we're all likely to say no to that. I mean, these documents, we asked for these back in—

Mr. Rob Leone: August.

Mr. Michael Harris: August—they've had them clearly long enough. It's now February. They've had

plenty of time to identify which ones are sensitive or not, so we won't be supporting that amendment.

The Chair (Mr. Michael Prue): Further discussion? Mr. Flynn.

Mr. Kevin Daniel Flynn: That's kind of a shame, actually, because I thought we were going down the same road there; I thought we were going to agree on something, which really hasn't happened much around here.

I like the substance. I think it's a well-drafted motion. I think we've got the same interests at heart here, but I don't want it to turn into a discussion as to whether you can meet a deadline or not. It seems to me that what Mr. Crack was saying was that that timeline might be tight.

It seems to me, by supporting the motion, we could move forward with all the interests that you've put into the motion, which I think suits the sort of discussion we had before you came in, Mr. Wilson, about these types of issues. How do we allow the process to move forward and how do we produce all the documents but make sure we safeguard individuals was exactly what we were talking about in camera. I would hate to see this fail because a deadline couldn't be met.

For the sake of a week or for the sake of two weeks, we could actually agree on everything. At the end of the day, I would find this supportable if we were able to change those deadlines, because the information we have is that by changing it to the 20th, the 21st and the 27th, there's a level of confidence that those deadlines can be met. The same can't be said for the 6th, the 14th and the 20th.

The Chair (Mr. Michael Prue): Mr. Natyshak, then Mr. Leone.

Mr. Taras Natyshak: Just on the motion that's proposing an extension: I would imagine, again clearly indicated through the memo from the ministry, that they have already identified the areas of concern. They know where they're at, probably page-specific, and we're just talking about literally blacking out some of those tidbits of personal information. It doesn't seem like that onerous of a task, considering that they have already identified where they exist. So I would think that the motion probably is a little bit far-reaching, and we should be able to deliver those—

Mr. Michael Harris: The amendment.

Mr. Taras Natyshak: Yes, the amendment to the motion is a little bit too far-reaching, and we should be able to deliver those documents in a timely manner, even if they are redacted.

The Chair (Mr. Michael Prue): Mr. Leone and then Mr. Crack.

Mr. Rob Leone: Mr. Natyshak took the words basically right out of my mouth. I think that this is exactly right. They are flagged documents. I believe the ministry said there are 90 boxes available that weren't identified as sensitive and 10 that were, and so those documents have already been pulled. Therefore, part of the hard work has already been done. I don't see a problem with the deadlines and the dates as proposed in the original

motion, and so I concur with my colleagues Mr. Harris and Mr. Natyshak on perhaps not needing the extension.

The Chair (Mr. Michael Prue): Mr. Crack.

Mr. Grant Crack: Mr. Chair, I can understand the position of the opposition and the third party. However, it's not the Ministry of Health that will be redacting these; it's going to be eHealth, so by the time the request is made, the freedom of information and personal privacy act officer for eHealth will be the one to do this.

I know we've requested documents as a government in the past. We want to ensure that we can meet these deadlines, these timelines. We think it's reasonable, and I'd ask for some reconsideration on this, in all fairness to those who would have to do the work.

The Chair (Mr. Michael Prue): I don't want to enter into the debate here, but I would remind the member that if you look at the letter from Deb Matthews dated September 20, 2012, if you look at the penultimate paragraph, that being the second-last paragraph, it says quite clearly that the documents that we have or that the Clerk has at this time are not from eHealth, that eHealth will respond to the committee directly—they need 420 person-days to do that—and that it will require the production of thousands of documents and that it will not be possible to complete such an extensive search and review in the short time frame that has been provided.

So when the documents were forthcoming in September, they did not include—read this.

Interjections.

The Chair (Mr. Michael Prue): Some of the ones that you received this morning were from eHealth. Those are the ones they were willing to give. The bulk of them and any—they have not been received and may not be, unless the committee asks for them.

Perhaps, Clerk, if you would be so kind, because you have seen the sealed envelopes—and I'm trying to read here what has actually been produced and who has produced it. You have seen it. Would you please elucidate for the members of the committee and those watching on television here who are trying to understand this exactly what you have and who gave it to us?

The Clerk Pro Tem (Mr. Katch Koch): Okay, Chair.

The box of documents that we received from eHealth—approximately 1,700 pages. In that box, we have two sealed envelopes. They are approximately an inch and a half thick. They are sealed. I don't know what they are. Those are the sensitive documents identified by eHealth: two envelopes.

1650

The Chair (Mr. Michael Prue): A question?

Mr. Gilles Bisson: Approximately how many docs—so there are 1,700 documents—

The Clerk Pro Tem (Mr. Katch Koch): Approximately.

Mr. Gilles Bisson: —and not all of the documents are in a sealed envelope, or all of them?

The Clerk Pro Tem (Mr. Katch Koch): No, not all of them.

Mr. Gilles Bisson: So how many documents are not in the sealed envelope? Documents, plural. Half? One third?

The Clerk Pro Tem (Mr. Katch Koch): Probably two thirds.

Mr. Gilles Bisson: So two thirds are not sealed; one third is sealed in two separate envelopes.

The Clerk Pro Tem (Mr. Katch Koch): Correct.

Mr. Gilles Bisson: Any idea why they put it in two separate envelopes?

The Clerk Pro Tem (Mr. Katch Koch): Just the size of the envelope, I think. They can only stuff so much in it.

Mr. Gilles Bisson: The size of the envelope—that's all I'm asking. Okay. Very good; thank you.

Just one last thing, Chair: If this motion was not moved or it was defeated, the documents would be released to the committee and would not be released to the public, right? We can move that the documents be released to the committee.

The Chair (Mr. Michael Prue): I think the documents must be released to the committee. If there was no motion—

Mr. Gilles Bisson: That's not my question. My question is: If this motion is not accepted and we revert back to releasing the documents, you release the documents to the committee; they're not posted up on the website.

The Clerk Pro Tem (Mr. Katch Koch): If the committee instructs me not to exhibit the documents, then they would not be available to the public. They would only be available to committee members.

Mr. Gilles Bisson: That's what we should do.

The Chair (Mr. Michael Prue): Okay. I don't see any other hands up, so we have an amendment—

Mr. Michael Harris: I'm going to call the question on the amendment.

The Chair (Mr. Michael Prue): No, you don't have to; I didn't have anyone else who had their hand up.

Not seeing anyone else's hand up, we have an amendment which has been moved by Mr. Crack to change the dates. So everyone is clear: the March 6th date would now read March the 20th; the March 14th date would now read March 21st; and the March 20th date would now read March 27th. That is the amendment.

All those in favour of the amendment? All those opposed?

Again, I have to vote on the tie; I am not going to vote for that. I think I should state a reason: I think that the documents are already identified in two sealed envelopes, and it will be a very simple matter for people to redact that which needs to be redacted. They don't have to search for them; they just have to go through two envelopes and take out what's necessary. So I am voting no. The amendment fails.

We're back to the main motion. Any further discussion on the main motion?

Mr. Taras Natyshak: Just one point of clarification, Chair: If you can tell me—or through the Clerk—that at the end of this committee the entirety of the documents

will be delivered to myself and to all the members, in full.

The Chair (Mr. Michael Prue): That is the intent of this motion.

Mr. Taras Natyshak: And then the process explained throughout this motion will happen throughout the later dates.

Mr. Michael Harris: Right.

Mr. Taras Natyshak: Very good.

The Chair (Mr. Michael Prue): Mr. Mauro.

Mr. Bill Mauro: Thank you, Mr. Chair. My question is for the Chair or the Clerk. I'm just trying to get a bit of sense of things historically at estimates. Keeping in mind the very clear direction from the Speaker and the Premier, who have very publicly articulated our government's commitment to supply all documents requested by committees in an unfettered manner as completely and transparently as possible—that's always been the capacity of a committee. My question to the Clerk would be: Historically, having always had that authority, has it been the norm that the estimates committee, or other standing committees of the Legislative Assembly, have generally received documents that they've requested where personal information, commercially sensitive information and solicitor-client privilege have been redacted?

The Clerk Pro Tem (Mr. Katch Koch): I'm just going with memory here. I have seen some documents filed with the committee that contain personal information. In that case, what would normally happen is, we would contact the person who had filed the information and ask them, "Is that really what you wanted to do?"

Mr. Bill Mauro: So sometimes you've received them with—are you telling me, then, that many times you have received them redacted?

The Clerk Pro Tem (Mr. Katch Koch): Redacted, or without the personal information on them.

Mr. Bill Mauro: Right.

The Clerk Pro Tem (Mr. Katch Koch): We have received information in all shapes and forms. Sometimes people would submit information with personal information on it, not realizing that this is going to become an exhibit and it's going to be out there for public consumption. We bring it to their attention in case it was an oversight and we give them an opportunity to—

Mr. Bill Mauro: So if I was to ask you to—as this motion reads, every member of this committee will receive all of the documents completely unredacted, and once reviewed by two levels of freedom-of-information officers, what can go public will then be decided. But all committee members will have completely unredacted information. Correct? That's what this motion will do?

The Clerk Pro Tem (Mr. Katch Koch): That is the intent of the motion.

Mr. Bill Mauro: And if I was to ask you personally to not have my copy of the documents come to me that way, if I could ask you for a copy of documents that didn't contain people's personal information, that wouldn't be a challenge, I'm guessing, for you. You would be providing a copy to people who wanted access to people's personal

information—not that they wanted access to it, but that they wanted fully unredacted documents—and if I wanted you to provide documents to me that did not contain people's personal information or those things generally considered to be not necessary for the committee to do its business, at least at first blush, is that something you could do?

The Chair (Mr. Michael Prue): Well, first of all, the Clerk is put in an impossible situation. The motion says that all members of the committee would get the information. You would get the information in the same way that the other members got it, which I assume would be in a sealed envelope. There would be a sealed envelope of those documents which could be sensitive. You do not have to open it.

Mr. Michael Harris: Just don't open it up.

Mr. Bill Mauro: Well, easy to say.

The Chair (Mr. Michael Prue): But he cannot say that you will be treated differently than the other members. He can't say that.

Mr. Bill Mauro: Sorry. I couldn't hear you, Mr. Chair.

The Chair (Mr. Michael Prue): The Clerk cannot treat you differently than he treats the other members of the committee. If the motion is passed, then all members would receive the documents, including those that are sensitive, which would be contained in a sealed envelope, and the members can do with them as they wish. If you don't want to—

Mr. Bill Mauro: Well, I understand that—

The Chair (Mr. Michael Prue): If you want to destroy it—

Mr. Bill Mauro: Mr. Chair, I understand that, the point being, obviously, when it comes to public perception, we would have all received the documents. I don't want somebody's social insurance number. I don't want somebody's bank account. I don't want whatever has generally been personal information that historically the committee members have not needed. I don't want it.

If this is the first time this has been asked—I don't know. I'm not trying to put the Clerk or the Chair in a difficult spot. I don't see it as somehow being an unfriendly amendment here. I'm just looking for some capacity to—your motion is going to go forward; you're going to get exactly what you want. The committee is going to get their information. I'm simply asking a question: if the copies of the documents that come to me could come to me historically how they flow to people, without personal information. For those things that have already been deemed sensitive, it's not going to be precluding me from being able to do my work here at this committee. So it's a pretty straightforward question.

The Chair (Mr. Michael Prue): Well, I mean, I've tried to answer this, and the Clerk did as well.

Mr. Bill Mauro: Well, I'm just asking him to give me a copy that's redacted, that's all.

Mr. Michael Harris: We'll eventually do that.

Mr. Bill Mauro: Yes. The "eventually" is the part I've got a concern with.

Interjection.

The Chair (Mr. Michael Prue): Are you in a position to tell him how you're going to give them differently than the other members?

Mr. Bill Mauro: Well, I may not be the only member that's interested in that.

Interjection.

The Chair (Mr. Michael Prue): You don't want to receive those documents?

1700

Mr. Bill Mauro: No, I didn't say that. I said I'm not concerned with whether they're in a sealed envelope or not; I'm concerned with whether or not they come to me in an unredacted form.

Information that historically would be considered not necessary for the committee to conduct its business, that being personal information, solicitor-client privilege, commercially sensitive—I don't particularly feel I'm going to need that. I don't want access to it to conduct my business here at committee. So I'm simply asking for my copy—I don't see this as an onerous discussion or an onerous task, and I don't feel like I'm asking to be treated differently—I just want my copy to be in the form that I've requested.

Mr. Michael Harris: So, a proposed amendment to exclude Mr. Mauro from the documents?

Mr. Bill Mauro: To take the documents in the form that would traditionally be treated by committee.

The Chair (Mr. Michael Prue): The motion says that it's delivered to the committee. If you want to be treated differently, if you make a motion, then make the motion that you want to be treated in a way that the other committee members are not.

Mr. Bill Mauro: I make a motion that I would like my copy of the documents to come to me redacted as per the traditions of the committee Clerk or the FIPPA officers or whoever it is who would normally make those decisions. I'm not interested in people's personal information. I'm not interested in commercially sensitive information. I'm not interested in solicitor-client privilege information. I don't see how any of that is going to help me do my work here in committee.

The Chair (Mr. Michael Prue): All right; I'm very happy with that. But that would require you getting your copy later than other members.

Mr. Bill Mauro: I'm fine with that.

The Chair (Mr. Michael Prue): Okay. You are making a motion that you receive your documents redacted, understanding that you may not get them until March 20th or—it might be as late as March 20th.

Mr. Bill Mauro: And still well before the committee sits to deal with these issues. Absolutely.

The Chair (Mr. Michael Prue): All right. So that's the request of one member. Is there anyone else who wants theirs done that way as well? Anyone else who wants it done that way?

We have a motion from Mr. Mauro that he not receive his documents the same way as the other committee members, but that he receives his redacted at a later time—sometime between March 6th and March 20th.

Interjection.

The Chair (Mr. Michael Prue): Pardon?

Mr. Taras Natyshak: Can I speak to that motion?

The Chair (Mr. Michael Prue): You can speak to it, yes.

Mr. Taras Natyshak: I don't quite understand the nature—I think Mr. Mauro's attempting to protect himself from the full scope of the information. If he doesn't believe that he needs to review the entirety of the documents that are involved and that he couldn't contain himself with that amount of information, possibly, then, he should recuse himself from the committee.

If you don't think you can do the job with the information that's being presented, then let's find someone who can do the full scope of the job, because that's what people are asking us to do: Take the information that's involved, govern ourselves accordingly as honourable members and make competent decisions. You can't simply ask for half-truths. Please consider the ramifications here. We need you to read the full scope.

The Chair (Mr. Michael Prue): Mr. Bisson.

Mr. Gilles Bisson: I just want to say, there are not two classes of members on committee. All members are full members of committee, and we should all be treated in the same way.

Mr. Bill Mauro: Recorded vote.

The Chair (Mr. Michael Prue): All right.

Mr. Kevin Daniel Flynn: This is on Bill's motion?

The Chair (Mr. Michael Prue): This is only on his amendment that he receive his documents in a different manner later.

On a recorded vote.

Ayes

Crack, Dhillon, Flynn, Mauro.

Nays

Harris, Leone, Natyshak, Nicholls.

The Chair (Mr. Michael Prue): It's a tie vote again. I'm sorry. Yes, everybody makes me earn my money here, I'm sure.

This is difficult, but I find it very difficult to separate one member out from the rest of the committee—that one member should be treated in a different way, even though he requests that different treatment, and even though it is to his disadvantage. I cannot countenance that; I cannot agree that members—we are all honourable members, we are all elected to do the same job, and we all have the same rights and privileges. We also have the same obligations, and so I can't support that.

So the amendment is defeated.

Mr. Michael Harris: I'd like to call the complete question on the original motion.

Mr. Kevin Daniel Flynn: I have a question for the Clerk.

The Chair (Mr. Michael Prue): A question for the Clerk.

Mr. Kevin Daniel Flynn: My understanding is that the Legislature sent us away with very specific instructions, and that was to bring the information back, or receive the information, seven sessional days after the first meeting of the estimates committee. Is that accurate?

The Clerk Pro Tem (Mr. Katch Koch): This is the motion that carried in the House on February 20. On page 2 of the motion, after the reappointment of standing committees, the membership of standing committees, it says: "Notwithstanding the prorogation of the House, the following motions for the production of documents passed by a committee in the first session of the 40th Parliament that had remained outstanding at the date of prorogation shall be dealt with under the 'Terms' outlined further below...."

I'm just going to skip the ones pertaining to the Standing Committee on Public Accounts. Here it says: "July 19, 2012, committee Hansard page 289, motion by MPP Michael Harris, Standing Committee on Estimates...."

Further down, under the terms, it says: "The order shall be deemed to be made on the first day the committee meets in the second session...." Second bullet: "The time period for compliance with any such order shall be deemed to be seven sessional days from the first day the committee meets...."

Mr. Kevin Daniel Flynn: So what would that translate into?

Mr. Gilles Bisson: In seven days from today.

The Clerk of the Committee (Mr. Katch Koch): From today, yes.

It would take us to the 18th of March—Monday, 18th of March.

Mr. Kevin Daniel Flynn: Okay. Now, that's an order from the House. The committee is going to consider an alternate motion from Mr. Harris that, previous to the previous discussion, I had some sympathy with. What is the power of the committee to override the instructions from the House?

Mr. Gilles Bisson: Zero.

The Chair (Mr. Michael Prue): I heard from one of the MPPs "Zero," and that is correct. The committee cannot override the intent of the House.

Mr. Kevin Daniel Flynn: Okay, and that was Mr. Harris's motion.

Mr. Gilles Bisson: No.

Interjection: Originally, yes.

Mr. Kevin Daniel Flynn: Originally. So it looks like—have we been told the date is March 18?

The Clerk of the Committee (Mr. Katch Koch): Seven sessional days from today would be the 18th of March.

Mr. Kevin Daniel Flynn: So the 6th, the 20th, the 14th, the 21st, the 27th—how does that tie into the instructions of the House? It seems to me that we can comply with what Mr. Harris is trying to do with his motion today and comply with the House if we change the dates to something more reasonable. Then the debate begins to be about the substance of the issue and not the dates and deadlines and whether deadlines can be met.

The Chair (Mr. Michael Prue): Again, we have some interpretation here. My understanding of the order of the House is that the ministry would have complied by releasing the documents to the members as of today, or within seven days of today—if that is the ability of the Clerk's department—to make sure that everybody gets those documents. That was the order: that this committee gets it. This motion speaks directly and almost exclusively to which documents would be relayed to the public.

1710

Mr. Kevin Daniel Flynn: I understand that—

The Chair (Mr. Michael Prue): It doesn't in any way fetter the rights of this committee to get the documents today, which was the intent of the order of the House, and it would be in compliance.

What would not be in compliance is the posting on the public domain that would, in fact, I guess—it could be two days out, or maybe not, because I don't think the House dealt with that.

Mr. Kevin Daniel Flynn: Okay, well, explain this to me, then, Mr. Chair or Mr. Clerk: The House has said we have up until the 18th of March to receive the documents; the motion says we have up until the 6th. They can't both be true.

The Chair (Mr. Michael Prue): The House said "no later than the 18th."

Mr. Kevin Daniel Flynn: Right.

The Chair (Mr. Michael Prue): So this would be in compliance. It's before the 18th.

Mr. Kevin Daniel Flynn: Right. Let's say that the advice that we're getting is that the deadlines would be problematic and the information comes in—instead of on the 6th, it's available on the 10th or the 12th. It still complies with the order of the House. What does it mean to the work of the committee?

The Chair (Mr. Michael Prue): I'm not sure I understand "What does it mean?"

Mr. Kevin Daniel Flynn: I'm saying, if we don't meet—

The Chair (Mr. Michael Prue): The committee has to get the documents.

Mr. Kevin Daniel Flynn: I think what I'm hearing from our side is that the 6th of March could be problematic, and it would be a lot better if it was at a later date. The committee has already said, "Well, they should be able to do it." So we passed that. Assuming this passes, Mr. Chair, you've got one that says it has to be here by the 6th of March; you've got another that says it has to be here by the 18th of March. Which one has precedence?

The Chair (Mr. Michael Prue): We already have those documents in our hands.

Mr. Kevin Daniel Flynn: Right.

Interjection.

Mr. Kevin Daniel Flynn: No, we don't.

The Chair (Mr. Michael Prue): The rest of them are in his office. The ministry has complied. The ministry complied in September.

Mr. Kevin Daniel Flynn: Where—

The Chair (Mr. Michael Prue): The ministry complied in September. Compliance has been met on all

phases. The only question is—they must be released to this committee no longer than the 18th of March, as I'm given to understand, and they will be released, according to the Clerk, within a matter of days.

Mr. Kevin Daniel Flynn: Okay. My understanding is that there are still some more documents to come.

Mr. Michael Harris: In addition to the—

Mr. Kevin Daniel Flynn: Yes. They will be here by the deadline.

Mr. Gilles Bisson: There are more documents?

The Chair (Mr. Michael Prue): If there are more documents to come, I'm sure that the Clerk will advise us upon receipt.

Mr. Michael Harris: We've not been advised. Unless you got information from the Clerk—

Mr. Gilles Bisson: Chair?

Mr. Kevin Daniel Flynn: It will be here by the 18th. It will meet the deadline.

The Chair (Mr. Michael Prue): A question: Mr. Bisson.

Mr. Gilles Bisson: Is the government now advising us that there are more documents to come that have not yet been given to the Clerk as per the request from estimates prior to prorogation? Is that what you're saying?

Mr. Kevin Daniel Flynn: No.

Mr. Taras Natyshak: What did you just say?

Mr. Gilles Bisson: Well, that's what I heard.

Mr. Kevin Daniel Flynn: What has been asked for has been given. There are more documents to come, as I understand it.

Interjections.

Mr. Gilles Bisson: Whoa, hang on a second. Hold it. I want to make sure that I understand. There was a request made by this committee for documents. I was under the understanding that all the documents were being released. You're now telling me there are more?

Mr. Taras Natyshak: As you understand it.

Mr. Gilles Bisson: That's what I'm hearing. If that's the case, Speaker, that's pretty serious.

The Chair (Mr. Michael Prue): I'm not the Speaker. I do not have that wisdom. I am the Chair of this committee.

If that is true, there still can be compliance up until the 18th. If they are received, there can still be compliance. I am surprised if there are additional documents, because I thought they were all here, but if there are additional documents, then the government could bring them forward, under the order of the House, until the 18th.

Mr. Gilles Bisson: Well, I want to be clear. I'm understanding the government to say there are more documents that will be released before that deadline.

Mr. Kevin Daniel Flynn: No, that's not what I'm saying. I'm saying that we have until the 18th to release all the documents. All the documents that have been asked for have been given to the Clerk at this point in time.

There's still time left in the deadline, so if there are more documents that need to be forthcoming, we would have up until the 18th to bring them forward, obviously.

Mr. Gilles Bisson: All the more reason I wouldn't want to redact any of these documents now.

The Chair (Mr. Michael Prue): Okay, we have a motion made by Mr. Harris. I have Mr. Harris's explanation as to what it means. I have the House leader of the Conservatives signifying that my interpretation is what their intent was, so I think it's quite clear that that's what the intent is. It's the ordinary reading, to me, as well. We have Mr. Harris's motion. Anybody want a recorded vote?

Mr. Kevin Daniel Flynn: Yes.

Mr. Michael Harris: We're going to call for a five-minute recess.

Mr. Gilles Bisson: Just before you do, can I ask a question? I want to make clear: Are there or are there not more documents that are expected to be released as a result of this motion? I've heard two different things now. Yes or no? I need to know from the government. Are there more documents expected to be released from the Ministry of Health as a result of the main motion—

Mr. Kevin Daniel Flynn: Not that I'm aware of, any more than you're aware of.

Mr. Gilles Bisson: Not that you're aware of. I've heard that three times in the House. Okay; it's good.

The Chair (Mr. Michael Prue): Mr. Natyshak, and then we're going to—if you have a very brief question, because I'm going to cut questions—

Interjection.

The Chair (Mr. Michael Prue): Okay. We have a request. It is in order; it's always in order in committee. There has been a request for a five-minute recess before we vote on this matter, and it will be a recorded vote. Please be back here at, according to my watch, 5:22.

The committee recessed from 1716 to 1721.

The Chair (Mr. Michael Prue): We are back, and we're now going to have a recorded vote.

Interjection.

The Chair (Mr. Michael Prue): No, you can't. We're in a recorded vote. If you don't like your motion, you have to vote against it. If you want to do something else, you're going to have to vote against your own motion.

All right. We're in a recorded vote; that's all that's allowed at this point.

Ayes

Crack, Dhillon, Flynn.

Nays

Harris, Leone, Mauro, Natyshak, Nicholls.

The Chair (Mr. Michael Prue): You can't vote twice. *Interjections.*

The Chair (Mr. Michael Prue): No, I'm not allowing you to vote twice.

Interjection.

The Chair (Mr. Michael Prue): Just for the record, it was five to three against. The motion fails.

All right, any further discussion? We're back to square one. Any further discussion?

No further discussion; then, just for the record, that would mean that the Clerk's department would release the documents according to the wishes of the House.

I have been advised by the Clerk—it's very sage advice—that in the absence of any motion and because the committee could not deal with the item, we are going to refer this matter back to the Clerk's department, and the Clerk will distribute the information as the Clerk sees fit.

Interjections.

The Chair (Mr. Michael Prue): Okay. Anything that is filed with the committee, the members will get it. Okay?

Mr. Gilles Bisson: That's right.—

The Chair (Mr. Michael Prue): That's just for the record so I've said it right. Anything filed with the committee, the members will get it, and the Clerk's department—

Mr. Michael Harris: Can we make a motion then to solidify that?

The Chair (Mr. Michael Prue): Well, no; that's what's happening. There was no motion. I asked if there was anything else. There was no indication that anyone wanted to make a motion. So, I have to conclude this—

Mr. Michael Harris: A motion to table the documents immediately forthwith.

The Chair (Mr. Michael Prue): No, that's what the Clerk is going to do.

Mr. Michael Harris: Okay.

The Chair (Mr. Michael Prue): All right. Any other business?

No other business; the meeting is adjourned, and we'll resume again at some point, at the call of the Chair.

The committee adjourned at 1725.

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Vice-Chair / Vice-Président

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Mr. Grant Crack (Glengarry–Prescott–Russell L)

Mr. Kim Craitor (Niagara Falls L)

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Mr. Bill Mauro (Thunder Bay–Atikokan L)

Mr. Taras Natyshak (Essex ND)

Mr. Rick Nicholls (Chatham–Kent–Essex PC)

Mr. Michael Prue (Beaches–East York ND)

Substitutions / Membres remplaçants

Mr. Kevin Daniel Flynn (Oakville L)

Also taking part / Autres participants et participantes

Mr. Gilles Bisson (Timmins–James Bay / Timmins–Baie James ND)

Mr. Jim Wilson (Simcoe–Grey PC)

Clerk pro tem / Greffier par intérim

Mr. Katch Koch

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Ms. Lorraine Luski, research officer,

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Official Report of Debates (Hansard)

Wednesday 20 March 2013

Journal des débats (Hansard)

Mercredi 20 mars 2013

Standing Committee on Estimates

Committee business

Comité permanent des budgets des dépenses

Travaux du comité



Chair: Michael Prue
Clerk: Katch Koch

Président : Michael Prue
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Wednesday 20 March 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mercredi 20 mars 2013

The committee met at 1603 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): The meeting will commence, but not all members are here. So starting from now, at approximately quarter after 4, if we do not have all—we do have quorum; we just have a member missing from the third party. We will recess for a few minutes to see whether or not she's attending and we'll come back. We do have quorum, if you want to continue. Do the members wish to continue, or do you wish to wait for her?

Mr. Bill Mauro: You don't need somebody from all three parties here to start the meeting?

Mr. Ted Chudleigh: It's at the Chair—

Mr. Bill Mauro: We don't?

The Chair (Mr. Michael Prue): You have quorum.

Mr. Bill Mauro: Then let's start the meeting.

The Chair (Mr. Michael Prue): All right. Is that the request that we—

Mr. Rob Leone: Yes, it's the request.

The Chair (Mr. Michael Prue): —commence the meeting?

Mr. Rob Leone: We agree, we agree.

The Chair (Mr. Michael Prue): Now we don't have to worry about that because we have members from all parties and in fact all committee members present.

We have commenced. The Clerk has informed me and the members have in front of them documents that have been presented to the Clerk from the assistant deputy minister and others relating to documents that have been received in the Clerk's office, some 32 or so boxes related to eHealth, as has been requested by the committee.

I would suggest that it is appropriate, and upon the advice of the Clerk, that we go into closed session to discuss the contents of these letters, but any decisions that are made, any motions that are made must be made in open session. Is there—

Mr. Rob Leone: I'll move to go in camera.

The Chair (Mr. Michael Prue): Okay. We have a motion from Mr. Leone to go in camera, seconded by Mr. Mauro. Is there any discussion on going in camera?

Seeing none, all those in favour of going in camera? Those opposed? That is carried.

We will now go in camera. We will commence the in camera meeting in about two minutes. I would ask any

staff who are in the room to please vacate within the next two minutes.

The committee continued in closed session from 1604 to 1700.

The Chair (Mr. Michael Prue): The meeting has resumed. We are now in full session. Is there any discussion?

Mr. Rob Leone: I'd like to present a motion, Mr. Chair.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: I move that the committee authorize the Chair to write to the Minister of Health and Long-Term Care to verify that the committee is in full possession of all the documents pertaining to the motion adopted on July 19, 2012.

The Chair (Mr. Michael Prue): Any discussion? Seeing no discussion, all those in favour? Okay, that's carried. That was unanimously carried.

Any further motions?

Mr. Bill Mauro: I'd like to move a motion, Mr. Chair.

The Chair (Mr. Michael Prue): Go ahead.

Mr. Bill Mauro: I move that the committee receive all documents received as of March 8, 2013, in electronic format, and that the committee meet on April 9, 2013, to consider the information received on March 18, 2013.

The Chair (Mr. Michael Prue): Any discussion on this motion?

M^{me} France Gélinas: I'm all in favour that we get the documents received up to March 8. I'm not so much in favour that we delay dealing with the documents that have been received on March 18 until April 9. So I will be voting against this motion.

The Chair (Mr. Michael Prue): Mr. Mauro?

Mr. Bill Mauro: Mr. Chair, I think, then, given that there's some discussion on this motion—I don't think any of us were anticipating that—that it's important that we read into the record—and if I could just have a minute to find that letter. Have you got the March 18—I'm sorry; I've got it.

This is the caveat that came to us—all of us—from the deputy minister. This isn't from the minister. This is from the deputy minister. The motion that I read, and that I was under the understanding we were all going to support, reflects this caveat that came to us from the deputy minister. It's a two-page letter, but I'll read only a bit of it here:

"Finally, we wish to advise that the public disclosure of the information in the attached records contained in

the sealed envelope could have a negative impact on the position of eHealth Ontario and the ministry in the litigation. In particular,

“(1) eHealth and/or the ministry’s defence could be impaired as the plaintiffs would have knowledge of privileged information.... It would also increase Ontario’s litigation costs which would be prejudicial to Ontario taxpayers.

“(2) There could be a negative impact on the proposed settlement—this is because disclosure of the legal opinion and/or the other privileged documents may lead class members (or the plaintiffs’ counsel) to reconsider the strength of their case.

“(3) In class proceedings individuals may also opt out of any settlement in order to pursue their own litigation. To date five individuals have already done so. If the documents were released before March 28, 2013, and became public then more individuals might opt out of the settlement (assuming it goes ahead). With respect to any release after March 28, this could have an adverse impact on future litigation by those class members who opt out.”

The letter goes on, and it’s quite expansive, but at the nub of it is, from the deputy minister, a caveat to all committee members, trying to protect the interests of Ontario taxpayers. Given the comment, I just thought it important that we read that into the record.

The Chair (Mr. Michael Prue): Further discussion?

The Clerk has just informed me of some advice that has come from the Clerk’s department to him, to clarify that on April 9 the debate will be whether to release the information or not, not the contents that are contained therein, just so everybody understands that that’s part of the motion that we’re doing.

Any further discussion? Everybody understands the issue before us?

Mr. Bill Mauro: I apologize, Chair, for dragging this out. The motion says “to consider the information received on March 18,” so, to the Clerk, should the motion be rewritten?

The Clerk of the Committee (Mr. Katch Koch): Just move an amendment.

Mr. Bill Mauro: So we could amend this, instead of saying to “consider the information,” to “consider the release of.”

The Chair (Mr. Michael Prue): “Consider the release,” because that’s really what we have to discuss.

Mr. Bill Mauro: We need to amend, I think.

Interjections.

The Chair (Mr. Michael Prue): I think it’s a friendly amendment, upon the advice. We have been advised, and the Clerk has given us sage advice. So it will read, in fact, “to consider the release.”

Mr. Bill Mauro: Yes. Thank you.

The Chair (Mr. Michael Prue): All right. This is a friendly amendment. Can we deal with it all at once? Okay, we’ll deal with it. I see everybody nodding. We’ll deal with it all as one motion.

All those in favour of the motion, as friendly-amended? All those in favour? All those opposed? That carries.

Any further business before the committee? Any other business anyone has? Seeing none, this meeting is adjourned for today. We will reconvene on April 9 at 9 o’clock in the morning.

The committee adjourned at 1707.

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Mr. Rick Nicholls (Chatham–Kent–Essex PC)

Mr. Michael Prue (Beaches–East York ND)

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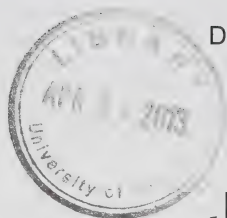
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Legislative Assembly of Ontario

Second Session, 40th Parliament

Assemblée législative de l'Ontario

Deuxième session, 40^e législature



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Tuesday 9 April 2013

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 9 April 2013

Mardi 9 avril 2013

The committee met at 0902 in room 228.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): We'll call the meeting to order. The object of today's meeting is to consider what the estimates committee wishes to do with the remaining documents. We had a pretty large discussion last time and agreed to put the final question off until today. I am in the committee's hands as to how you wish to proceed.

Mr. Harris.

Mr. Michael Harris: We want them today. I make a motion to do so.

The Chair (Mr. Michael Prue): We have a motion from Mr. Harris to release the outstanding documents today. Any discussion on the motion?

No discussion on the motion? This may be a very short meeting.

All those in favour of the motion to receive the documents today? Those opposed? Carried.

Any other business that anyone else wants to bring up?

Mr. Michael Harris: Just a point of clarification: They'll be distributed electronically on the flash drives to the members. Okay? That's it.

The Chair (Mr. Michael Prue): Yes.

M^{me} France Gélinas: Do you know what happens when you bring banana bread? That's why this happened.

Ms. Soo Wong: You should bring banana bread more often.

The Chair (Mr. Michael Prue): There being no other business, meeting adjourned.

The committee adjourned at 0903.

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Mr. Grant Crack (Glengarry–Prescott–Russell L)

Mr. Kim Craitor (Niagara Falls L)

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STANDING COMMITTEE ON
ESTIMATES

Tuesday 4 June 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 4 juin 2013

The committee met at 0902 in committee room 2.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): I'm going to call the meeting to order. The others will just have to join us. I have to read a statement, just so everybody is very clear what is going to happen here today.

As you know, the Lieutenant Governor has transmitted the Estimates of certain sums required for the services of the province for the year ending March 31, 2014, to the Legislative Assembly. Pursuant to standing order 59, these printed estimates, upon tabling, are deemed to be referred to the Standing Committee on Estimates. All members of the House should have received a copy of the 2013-14 printed estimates when they were tabled on Wednesday, May 29, 2013.

The objectives of today's meeting are twofold:

(1) to select the estimates of certain ministries or offices for review by the committee;

(2) to determine the date on which the committee will begin the consideration of the selected estimates.

We have to decide those two things.

Standing order 60 sets out the process by which the committee makes its selections. Essentially, each of the recognized parties on the committee shall select the estimates of either one or two ministries or offices in each of two rounds of selection.

The official opposition selects first, followed by the third party, then by the government. After two rounds of selection, the committee will have selected anywhere from a minimum of six to a maximum of 12 ministries or offices for review.

In making its selection, each party also determines how much time is to be allocated to the consideration of each ministry or office selected. A maximum of 15 hours is permitted per selection. For example, if one selection is made in a round, that single selection could be reviewed for a maximum of 15 hours. If two selections are made in a round, both of them are reviewed for a combined maximum of 15 hours. How the division of these 15 hours takes place is up to the party making the selection.

At the conclusion of the two rounds of review, the committee could spend up to a maximum of 90 hours in scrutinizing the estimates of all the selected ministries or offices. Pursuant to standing order 60(c), these selections

are to be reviewed in the order that they were chosen, and this can only be changed by an order of the House.

The estimates of those ministries or offices not selected for consideration will be deemed to have been passed by the committee. As Chair, I will report those estimates back to the House and they will be deemed to be adopted and concurred in by the House.

Any supplementary estimates of selected ministries and offices shall be considered by the committee within the time allocated during this selection process.

In accordance with standing order 63(a), the committee must present a report to the House with respect to the estimates it selected and considered by the third Thursday of November this year. If the committee fails to report by the third Thursday in November, the estimates and supplementary estimates before the committee will be deemed to be passed by the committee and deemed to be reported to and received by the House.

Do the members have any questions before we begin? No questions? Okay.

The selection of ministries: We go first to the official opposition for your selection or selections.

Mr. Rob Leone: Thank you, Mr. Chair. We would like to select the Ministry of Finance for 10 hours and the ministry of tourism and culture, particularly with responsibility for the Pan Am Games, for five hours.

The Chair (Mr. Michael Prue): Okay. I just want make sure. You all have a list here as well. Because some of them are combined, I just want to make sure we actually have the correct title. Finance is as listed and the other one was tourism, culture and sport.

Mr. Rob Leone: And sport.

The Chair (Mr. Michael Prue): And sport, okay. So that selection has been made for a total of 15 hours. That's the first choice.

We now go to the third party for the choice or choices.

Ms. Catherine Fife: The NDP will be selecting the Ministry of Health and Long-Term Care for 7.5 hours, followed by the Ministry of Transportation for 7.5 hours.

The Chair (Mr. Michael Prue): On to the government.

Mr. Grant Crack: The government will choose the Ministry of Aboriginal Affairs for 15 hours.

The Chair (Mr. Michael Prue): Okay. Back to the second and final round, to the official opposition.

Mr. Rob Leone: Mr. Chair, we'd like to select the Ministry of Energy for 7.5 hours and the Ministry of Education for 7.5 hours.

The Chair (Mr. Michael Prue): To the third party.

Ms. Catherine Fife: The NDP will select the Ministry of Infrastructure for 7.5 hours, followed by the Ministry of Children and Youth Services for 7.5 hours.

The Chair (Mr. Michael Prue): And the final selection to the government.

Mr. Grant Crack: Francophone affairs at 7.5 hours; consumer services, 7.5 hours.

Mr. Rob Leone: Sorry? I didn't hear you.

Mr. Grant Crack: Consumer services.

Mr. Rob Leone: Oh, okay.

The Chair (Mr. Michael Prue): All right. Just to review this so that there is no problem—I don't anticipate one, but we'll review it anyway. The choices and the order of precedence which we will follow are: Ministry of Finance for 10 hours, followed by the Ministry of Tourism, Culture and Sport for five hours; health and long-term care for 7.5 hours; transportation for 7.5 hours; aboriginal affairs for 15 hours; energy for 7.5 hours; education for 7.5 hours; infrastructure for 7.5 hours; children and youth services for 7.5 hours; francophone affairs for 7.5 hours; and consumer services for 7.5 hours, for a total of 90 hours.

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The second item for us to determine today is the date on which the committee will begin the consideration of the selected estimates. The first estimate to be heard is health, and we could—

Interjection: Finance.

The Chair (Mr. Michael Prue): Finance—excuse me—and we can do it as early as this afternoon, legally. I'm not sure that that would give sufficient time for the finance committee to be present, but when would the committee like to start?

Mr. Rob Leone: Can I ask a question, Mr. Chair? With respect to meeting next week, is that possible?

The Chair (Mr. Michael Prue): By all indications, we will be here next week, so yes.

Mr. Rob Leone: So, Mr. Chair, I propose that we begin the proceedings for next Tuesday at 9 a.m.

The Chair (Mr. Michael Prue): That would be Tuesday, June 11.

Ms. Catherine Fife: A question: Is it not possible to start this afternoon? Is the government—

The Chair (Mr. Michael Prue): It is legally permissible to start, but none of the ministries would have been aware of what the choices were until right now. It's a difficult task to get the minister and all of the staff who come to these hearings available on such short notice. I mean, it could be this afternoon. We're also scheduled to meet tomorrow, if somebody wants to—

Ms. Catherine Fife: Perhaps we can hear from the government side about tomorrow, because I'm sure that they expected us to call finance, or one of us to call finance.

The Chair (Mr. Michael Prue): Mr. Crack?

Mr. Grant Crack: Mr. Chair, I respect the positions of the official opposition and the NDP, but would it not be more appropriate if the subcommittee could meet and actually determine when, in fact, the first minister would be available? This is short notice. I cannot see any preparation being made to be available for today, this afternoon, or, I question, even next week. This is a huge undertaking.

The Chair (Mr. Michael Prue): Well, it has been historical precedent that the committee itself choose the time to start, rather than the subcommittee—everybody is here—because it binds all of the members at that point to be here as well. Historically, we've waited till the following week. I don't know; perhaps the Clerk has been around the committee longer than I, but I know that last year we started the following week.

Interjection.

The Chair (Mr. Michael Prue): The Clerk has told me that there is the problem, too, of briefing books. Since the ministries would not have been aware, the briefing books would not likely be prepared, or be preparable, for this afternoon. Even tomorrow would be a bit of a long-shot for a large ministry like finance. But I am in your hands.

Mr. Michael Harris: We propose to start next Tuesday at 9 a.m. So I put a motion on the floor to start—

The Chair (Mr. Michael Prue): Well, no, the motion is on the floor.

Mr. Michael Harris: Okay. Well, then, call the question.

Ms. Catherine Fife: Actually, I was going to just—given the new information that was just provided, I fully support starting next Tuesday at 9 a.m. That should give the minister enough time, I would think—a full week. We don't need a motion if we can come to consensus, right?

The Chair (Mr. Michael Prue): The motion has been made. Any further discussion on the motion for next Tuesday at 9 o'clock? Any further discussion? Seeing none, all those in favour of starting next Tuesday at 9 o'clock? Opposed? That carries.

There is one other small item. The decision will be made by the House leaders and not by the committee: the availability or the desire of people to sit during the summer months. The committee can only meet during those weeks in which the Legislature is in session, except upon agreement of the House through the House leaders. I know that last summer, because it was quite contentious and because we were trying to get through the agenda, which we never did get through, we did schedule some summer meetings. Does anybody have a desire to meet over the summer?

Mr. Rob Leone: I do believe that the House leaders will come to a consensus, but I will note our desire to get through the estimates. Hopefully, if we can convey the message to the House leaders that we would be prepared to meet during the summer, I would think that would be appropriate, from our perspective.

The Chair (Mr. Michael Prue): Okay. I see some nods of agreement on the government side, if necessary,

if the House leaders choose, to sit during the summer months. Mr. Mauro.

Mr. Bill Mauro: I'm just a little unclear. The committee has the authority to decide, or the government House leaders, by convention—

The Chair (Mr. Michael Prue): No. This is simply an indication to the government House leaders that the committee would be prepared to meet—

Mr. Bill Mauro: So the standing orders say that you can only be meeting when the House is sitting?

The Chair (Mr. Michael Prue): That's correct.

Mr. Bill Mauro: And you're telling me that the House leaders can come to a consensus to circumvent the standing orders.

The Chair (Mr. Michael Prue): That's correct. The House can order—

Mr. Bill Mauro: So you're just looking for a consensus or an indication from committee to the House leaders as they have those discussions.

The Chair (Mr. Michael Prue): That's correct.

Mr. Bill Mauro: Okay, thank you.

The Chair (Mr. Michael Prue): Anybody from the government side indicating that you would be prepared to

meet in the summer months, should the House leaders so decide? Mute on the subject. All right. We've had several indications, then, that the committee would be prepared to meet and none that they would not.

So, Mr. Clerk, if you could convey that, draft a letter, and we'll leave it to the House leaders of the respective parties to determine whether or not we meet. If we do, it would then be at the call of the Chair, unless the dates are set down in the House.

Is there any other business? Does anybody have any other business? Seeing no other business—

Interjection.

The Chair (Mr. Michael Prue): Yes. We would adjourn today and come back next Tuesday at 9 a.m. if the House is sitting, because if the House winds up—which appears unlikely at this point—but should it wind up on Thursday, then there will be no meeting next Tuesday.

Mr. Michael Harris: Or pending the House leaders' arrangements—

The Chair (Mr. Michael Prue): Yes. Okay, no other business? The meeting is adjourned.

The committee adjourned at 0918.

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Ms. Helena Jaczek (Oak Ridges–Markham L)

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Ms. Anne Marzalik, research officer,
Research Services



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Standing Committee on Estimates

Ministry of Finance

Comité permanent des budgets des dépenses

Ministère des Finances



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STANDING COMMITTEE ON
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BUDGETS DES DÉPENSES

Tuesday 11 June 2013

Mardi 11 juin 2013

The committee met at 0904 in room 151.

MINISTRY OF FINANCE

The Chair (Mr. Michael Prue): We'll call the meeting to order. Good morning.

We are here today for the consideration of the estimates of the Ministry of Finance, for a total of 10 hours. The ministry is required to monitor the proceedings for any questions or issues that the ministry office undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may, at the end of the appearance, verify the questions and issues being tracked by the research officer.

Any questions before we start? Seeing none, I am now required to call vote 1201, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then the minister will have 30 minutes for reply. The remaining time will be apportioned equally amongst the three parties.

Minister, the floor is yours.

Hon. Charles Sousa: Thank you, Mr. Chair. I appreciate the opportunity be here with all of you. I'd like to thank the members of the Standing Committee on Estimates for this opportunity to speak.

I'd like to begin by presenting the context in which we as a province find ourselves today. On May 2, I delivered the 2013 Ontario budget. This budget announced our plan for a prosperous and fair Ontario, and it proposed smart investments to strengthen the economy and help create jobs. Ontario enjoys strong economic fundamentals. We have a highly educated and diverse workforce to support greater prosperity. Our tax reforms have helped turn Ontario into one of the most investment-friendly places in North America to do business.

We must continue to build our strong and prosperous economy while protecting the high quality of public services that people expect and deserve. People also expect the cost of these services to be sustainable and affordable. They don't want to see excessive debt levels. They want to see their government take a long-term view. That's why our government is absolutely committed to eliminating the deficit by 2017-18, and then reducing the net debt-to-GDP ratio to the pre-recession level of 27%.

We're taking a balanced approach in eliminating the deficit. We reject across-the-board cuts that threaten our priorities in health care, education and job creation.

Right now, we also cannot afford further reduction in Ontario's low corporate taxes that would make it harder to eliminate the deficit. Above all, we reject uncontrolled growth in program spending because that would increase debt and interest costs that would take resources away from key priorities. We will not shift the burden of debt to future generations, nor will we ignore the responsibilities we face today.

This budget proposes making smart investment in Ontario's long-term prosperity while remaining steadfast in our efforts to eliminate the deficit.

Ontario's economic plan is one of jobs and growth. Our budget presented the government's plan to create jobs and invest in Ontario's future. Job creation is an important measure of a healthy economy. When an economy is growing steadily, job growth is steady too.

Since the depths of the global recession, Ontario has created more than 450,000 net new jobs. The current level of employment is more than 185,000 jobs above the high point before the recession.

Our balanced approach to eliminating the deficit is working. In fact, by beating our fiscal targets, we can continue to invest in the things that matter most to people every day. Ontario's deficit for 2012-13 is now estimated to be \$9.8 billion, a \$5-billion improvement compared with the 2012 budget forecast.

This is the fourth year in a row that Ontario has reported a lower deficit than forecast. Ontario is the only government in Canada to achieve this level of success. It also marks the second year in a row that the rate of growth in program spending is projected to be less than 1%.

Some of this progress comes from being disciplined. It also comes from a lot of hard work. The ministry continues to hold the line on its own operating spending. For 2013-14, planned spending is \$196 million lower than in 2012-13—largely due to lower requirements for the corporate transition fund. This three-year fund was part of the 2012-13 budget and assists ministries with the cost of transformational activities required to achieve savings and manage growth and spending, while protecting front-line core services.

My own office will not grow this year. Consistent with the government's overall prudent and effective fiscal

management, the budget for the main office remains unchanged from 2012-13. As stated in the 2013 budget, the ministry is one of 16 ministries that was projected to spend less than its 2012-13 allocation, helping to hold growth in program spending.

The staff complement for the ministry is also lower than in the past. Staff on board at March 31, 2013, was 2,575 full-time equivalents, approximately 78 less than on March 31, 2012, and 1,257 less than two years ago when we completed the transition to the harmonized sales tax.

Despite our challenges, Ontario's economy is built on strong economic fundamentals. Our industries are well positioned to continue to support the province's economic renewal. So our efforts as a government are best focused on creating a favourable economic environment, because when businesses and entrepreneurs take risks and make investments, Ontario's economy grows and creates jobs.

Our six-point plan for jobs and growth builds on economic fundamentals to enable Ontario's economy to be more productive and more competitive. I'll outline these six areas, and then I'll provide some details for each.

Our economic plan for jobs and growth focuses on:

- (1) supporting a competitive business climate;
- (2) investing in modern infrastructure;
- (3) investing in a highly skilled workforce;
- (4) promoting entrepreneurship and innovation;
- (5) going global; and
- (6) supporting vibrant and strong communities.

Supporting a competitive business climate: The first step in our six-point plan is just that. Over the last 10 years, we've done a lot of work to make Ontario a great place to do business. And working together, businesses, labour and government can drive change and move to a more outward-looking and innovative economy.

0910

During our jobs summit consultations across Ontario, we've heard many business experts' willingness to step up, drive economic growth and invest more in productivity, innovation and training. So it's critical that business, labour, academia, the not-for-profit sector and government continue to make economic growth a provincial priority.

We have put in place a competitive tax system for businesses, made regulations smarter and less burdensome, and enhanced the safety and efficiency of capital markets, all while delivering lower-than-forecasted deficits. Eliminating the deficit remains critical to maintaining confidence for investors in capital markets.

Our tax reform in recent years has turned Ontario into one of the most investment-friendly places to do business. We've replaced the retail sales tax with the harmonized sales tax, a modern, more effective and value-added tax system. We have eliminated the capital tax, which was a significant disincentive to investment and was paid by corporations whether or not they made a profit. We've cut corporate income tax rates for small and

large businesses. We've streamlined tax administration, saving businesses more than \$635 million per year in reduced compliance costs.

We will extend the accelerated capital cost allowance for machinery and equipment, providing assistance to manufacturers to the tune of \$265 million over the next three years as well.

We would also give greater tax relief to small employers by increasing the employer health tax exemption for private sector employers. This means that more than 60,000 employers would pay less EHT, including more than 12,000 that would no longer pay this tax. With this proposal, a total of 88% of Ontario's private sector employers would not pay the EHT. They would also save the cost of filing an EHT return. The cost of this tax break for small businesses would be paid by eliminating the same exemption altogether for the larger employers.

The second step in our six-point economic plan for jobs and growth is investing in modern infrastructure. Our budget would provide more than \$35 billion for infrastructure investments over the next three years, including a new fund to help small and rural communities and municipalities build roads, bridges and other critical infrastructure, because we know that in an increasingly competitive global economy, well-maintained and modern infrastructure helps to attract investment and lower business and manufacturing costs.

These investments would remain focused on the most critical areas, such as transportation, health care and education, and they would support over 100,000 jobs, on average, each year across the province.

We recognize that traffic congestion in the greater Toronto and Hamilton area poses a growing challenge as well. We heard during our pre-budget consultations that transportation bottlenecks are hurting the quality of life and productivity of the people in the area. That's why we would commit to converting select high-occupancy vehicle lanes in the GTHA into HOT lanes.

In this model, carpooling drivers would continue to drive for free, but other drivers would have the option to drive in these lanes for a toll. Toll-free options would continue to exist on all highways that have these lanes. We've seen this model, and it has been successful in several places, including Florida, Texas and California.

The government is committed to moving forward with this plan regarding HOT and HOV lanes. We will bring forward legislation that lays out a plan for addressing congestion in the GTHA and including this proposal. This would give the Legislature an opportunity to fully review and decide on the merits of the HOV/HOT lanes being proposed.

Our budget would provide new funding for GO Transit over the next 10 years that would allow for an additional 50,000 riders per day, an increase of almost 20% at its current levels.

Beyond the GTHA, we would continue to invest in priority public transit projects, such as the Waterloo region rapid transit and Ottawa light rail. Our planned

investments in public transit would support over 30,000 jobs on average in each of the next three years.

We would continue to invest two cents per litre of our provincial gas tax revenues in public transit systems across the province, an investment that has yielded \$2.2 billion for public transit systems in Ontario since 2004, and would make this program permanent to allow municipalities to plan for their transit systems with more certainty.

We would also invest \$100 million in small and rural municipalities for a new dedicated fund for municipal roads, bridges and other critical infrastructure. We're already making substantial investments to rehabilitate and improve the provincial highway network, including projects to address bottlenecks and support economic growth.

The third step in our six-point economic plan for jobs and growth is investing in a highly skilled workforce. We know that a highly skilled and adaptable workforce is critical to Ontario's success. It would help our province meet the challenges of rising global competition and technological change.

One of our key objectives is to ensure that more people get jobs, while employers find the skilled workers to improve their competitive position. We recognize the need to provide even more opportunities for Ontario's youth, because despite job gains in our province since the end of the recession, youth unemployment is still unacceptably high. That's why we would build on our previous achievements and create a youth job strategy to invest \$295 million over two years to promote employment opportunities, entrepreneurship and innovation for youth in Ontario.

There are a number of measures within this youth job strategy. The new Ontario youth employment fund of \$195 million over two years would create employment opportunities for 25,000 young people in the province. It would include hiring incentives to employers to offer youth in all regions of the province an entry point to long-term employment. Young people who participate in the program would learn life and work skills while earning an income, and it would also help employers better adapt and tap into youth talent available in the province.

The youth job strategy would also include the new Ontario Youth Entrepreneurship Fund of \$45 million over two years to generate nearly 6,000 mentorship and job opportunities. It would help ensure that young entrepreneurs are connected to experienced entrepreneur mentors. It would offer small business loans, seed capital and other grants to help remove barriers to starting a company, and it would include high school entrepreneurship outreach funding to help strengthen the next generation of business leaders.

Another initiative in the youth job strategy is the Ontario Youth Innovation Fund of \$30 million over two years. That would boost opportunities for students to enter the knowledge-based workforce and make positive contributions to the province's innovation economy.

Lastly, the business labour connectivity and training fund would provide \$25 million over two years to support better coordination among business, labour, educators and youth.

The fourth step in our six-point economic plan for jobs and growth is promoting entrepreneurship and innovation. Ontario's continued prosperity depends on its ability to transform ideas into innovative goods and services for global markets. One of Ontario's innovation strengths is our significant proportion of higher education research and development funded by business. Based on the latest available data, Ontario's proportion of business-funded higher education R&D exceeded that of most other advanced economies, including the United States and the United Kingdom.

Breakthroughs by Ontario scientists and researchers, however, have not always turned into new products and services. The Jobs and Prosperity Council identified weak commercialization outcomes as a challenge to Ontario's innovation economy. That's why we're acting on a council recommendation and implementing a commercialization and innovation voucher pilot program. The voucher will help entrepreneurs and small businesses to access innovation, productivity and commercialization services offered by Ontario's research institutions.

Sometimes entrepreneurs have difficulty accessing capital that would help them grow their businesses, so we're working with the federal government to put in place a new venture capital fund of up to \$300 million, in partnership with the private sector. This new Ontario-based fund would help strengthen Ontario's venture capital industry and help fund potential high-growth firms in the province. With discoveries ranging from insulin to stem cells, Ontario's scientists have a long history of medical breakthroughs.

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We continued our support of medical discoveries by committing \$100 million to the Ontario Brain Institute over five years. The institute will use the funds to expand its patient-focused neurosciences research to include Alzheimer's disease and depression and continue its work on cerebral palsy, autism and epilepsy.

The entertainment and creative sector is also an important component of Ontario's economy. Knowledge-intensive and creative industries support a higher quality of life and good jobs, making Ontario an attractive place to live and work and visit.

We recognize the importance of this sector. That's why we're providing support, including an Ontario Music Fund of \$45 million in grants over three years to support new digital and recording production and distribution of Canadian music, increase partnership opportunities, and promote Ontario's music industry, both at home and abroad. Grants from the fund would help the industry to innovate, invest and take advantage of opportunities in the global music marketplace, bringing more recording activity to the province. The fund would also support Ontario's live music strategy, positioning the province as a leading place to record and perform music.

We would also provide \$8 million in 2013-14 to support Massey Hall's revitalization. Massey Hall continues to play an important role in attracting leading performers from around the world. The renewal of this iconic landmark would allow Massey Hall to continue to contribute to the growth of Ontario's performing arts scene as a fully functional modern venue.

We would also provide funding of \$9 million over three years, starting in 2013-14, to support the Canadian Film Centre's educational programs for advanced film, television and new media. This would also develop new market opportunities for its students and their projects.

Ontario leads the Canadian film and television industry as the top production centre, ahead of British Columbia and Quebec, and it is third, behind California and New York, here in North America. Ontario's film and TV production activity accounts for more than 40% of all film and TV production activity in Canada.

The province offers a complete range of advantages, including top-notch technical and creative crews, world-class studios and post-production facilities, a dynamic talent pool, a variety of locations and financial support. As a result, in 2012 the province's film and television industry contributed \$1.28 billion to the economy.

The fifth step in our six-point economic plan for jobs and growth is going global. Ontario's export-based economy is well positioned to take advantage of emerging global opportunities. However, in 2012, over 90% of Ontario's exports were destined for slow-growing advanced economies. In fact, 78% of our exports went to the United States alone. Only 5% of Ontario's exports were bound for fast-growing economies.

By 2030, the fast-growing economies' share of the world economy is expected to rise sharply, from 28% to almost 50%. That's why we would work with business to promote Ontario's many export industries' strengths and expand market access beyond Ontario's borders to other provinces, the United States and rapidly growing emerging markets.

With more Ontario companies exporting, we would have increased competitiveness and productivity benefits. Successful exporters can overcome entry barriers, adapt to global competition, learn about new markets, products and innovative technologies and apply them here at home, while leading the way for other firms.

The Jobs and Prosperity Council identified a number of ways that Ontario could help maximize our export opportunities, including organizing trade missions, leveraging connections between Ontario's multicultural population and emerging market economies, building management expertise and enhancing the export capacity of small and medium-sized enterprises.

Ontario can also take advantage of its favourable international perception and global brand to expand its exports abroad. This can be supported by the competitive strengths of our industries and international business contacts established through our many immigrant communities.

We are working with the federal government to expand trade agreements, and we're helping exporters with over 60 trade missions to new markets over the next year.

The final step in our six-point economic plan for jobs and growth is supporting vibrant and strong communities. We know that Ontario's communities and regions have different economic strengths and opportunities and challenges. For example, the economy of northern Ontario faces different competitive issues than large urban complexes of the greater Toronto or Hamilton area. Rural municipalities, of course, have different needs from major urban centres. We're committed to working with municipalities and local industries to overcome their unique challenges, while helping them take advantage of emerging opportunities for jobs and growth.

Here are some of the things that we would do to support vibrant and strong communities: We would support local food. Ontario's agriculture and food processing industry is a critical pillar of the province's economy. The sector has proven resilient during tough economic times and continues to grow, driving jobs and economic growth in rural and urban communities.

We would also support rural Ontario. We would continue our existing investments made through the Rural Economic Development program. Through the Municipal Infrastructure Investment Initiative, we would also invest about \$90 million over the next three years to help municipalities undertake critical infrastructure projects that strengthen local economies and create jobs.

Another component of our plan for vibrant and strong communities would include supporting the Ring of Fire. The Ring of Fire is an area with deposits of chromite and other minerals that is important in the immediate and long-term future of northern Ontario's economy.

We're also continuing to implement the Aboriginal Loan Guarantee Program. This program facilitates opportunities for aboriginal participation in the energy sector. We look forward to continuing to work with the aboriginal communities to create jobs and support investment for those communities, and to create benefits for the people of this province.

That concludes my overview of our six-point economic plan for jobs and growth. It is a smart plan that would enable Ontario's economy to be more productive and competitive.

I would now like to move on and outline our plan for a fair society. Ontario is a great place to live and work. It has a resilient economy and a strong economic and social fabric. The people of this province can take pride in what they've accomplished. Ontario's economic performance and social fabric become even stronger when everyone has the opportunity to succeed to their full potential. A fair society means everyone has access to high-quality public services that support their well-being and capacity to contribute to the economy.

Ontario is transforming health care services so that more people will quickly receive the care they need, where they need it. In the 2012 budget we committed to increasing investment in home and community care by an

average of 4% per year. Ontario's 2013 budget proposes that we go further. We're introducing an additional 1% per year, an increase of over \$700 million by 2015-16 compared to 2012-13. We want to make sure that people get the care they need in their communities and in their homes.

We're also dedicated to improving health care services for small, rural and northern communities, and for First Nations, seniors and people living with mental health and addiction challenges, because all of us deserve the same great care, no matter where we live.

At the same time, our government has been making investments in young people to ensure they're prepared for both the challenges and opportunities ahead. This supports the issue and the implementation of full-day kindergarten, through smaller class sizes in the early years, to improve graduation rates in high school, and through programs such as the 30% Off Ontario Tuition grant and the new tuition-free framework. The province must continue to provide world-class education, adding to the many opportunities we've created together.

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Ontario is not served when people face barriers to employment or when there's no incentive for them to find a job or keep working. That's why Ontario's budget removes barriers to employment for people who receive social assistance. As a result of Frances Lankin and Munir Sheikh's work, the budget will create a \$200 monthly earnings exemption for people who receive support from Ontario Works and the Ontario Disability Support Program, because people deserve to keep more of the money they earn through their hard work.

The budget will increase social assistance rates by 1% and improve benefit levels with an additional top-up for Ontario Works singles without children. The budget will increase cash and other liquid asset limits for people who receive Ontario Works so they have more financial security.

The budget will support a 15% cut, on average, in auto insurance rates.

As well, in 2012, our government introduced the Ontario Trillium Benefit to assist low- to moderate-income families. We heard that some recipients would like to choose between monthly payments or a single annual payment. Ontario's 2013 budget proposes to offer this choice. A fair society protects those who are vulnerable, regardless of the source of their income.

A new transitional fund to support housing needs will expand eligibility for housing supports to all low-income people in First Nation communities.

The government remains committed to helping those with developmental disabilities. We will invest in reducing wait-lists, helping families in urgent need and creating a fair society that provides justice for all.

I will now talk about Ontario's path to balance.

Our government believes eliminating the deficit is the single most important step we can take to grow the economy and create jobs. We've already been able to demonstrate significant progress towards meeting this

commitment, and we're taking additional steps to ensure its achievements. The deficit for 2012-13, the fiscal year just ended, is now estimated to be \$9.8 billion. That's a \$5-billion improvement, compared with the 2012 budget forecast. This marks, as I've said before, the fourth year in a row that we've reported a deficit lower than forecast, making us the only government in Canada to achieve this level of success.

As a result, the province's accumulated deficit is now almost \$22 billion lower than it would otherwise have been, had we not been beating our fiscal targets each year for the past four years.

Net debt-to-GDP for 2012-13 is almost two percentage points lower than in the 2012 budget forecast. We're currently one of only two governments in Canada that are on track to beat our fiscal target for 2012-13. These results are due to our focus on deficit elimination by 2017-18, a commitment that is reinforced by our goal of reducing net debt-to-GDP to pre-recession levels of 27% once the budget is balanced.

Moving forward, we're on track to continue beating our targets. As a result of our forecasted balance, the deficit projection for 2013-14 is \$11.7 billion. This is an improvement of more than \$1 billion from what was projected in last year's budget. Beyond 2013-14, we're on track to meet the steadily declining deficit targets outlined in the 2012 budget and to return to balanced budgets beginning in 2017-18.

As the Commission on the Reform of Ontario's Public Services indicated—

The Chair (Mr. Michael Prue): I'm just breaking in; you have 30 seconds.

Hon. Charles Sousa: —slowing the growth of program spending is essential to balancing the budget. We will do our efforts, and we will continue on our path to balance. We will continue to be dedicated to eliminating the deficit in a managed way.

We're taking all the steps necessary, as provided by the Drummond commission, as outlined in our budget, to control our spending. Ontario currently has the lowest program spending per capita among all Canadian provinces, and this is so because of the work we're doing to manage our growth and ensuring that we continue to work steadily with all levels of government. In fact, we've reached agreements with all four of the jointly sponsored pension plans as well, to control compensation on an ongoing basis, going out to the out years. We recognize that working together, all of us, we can achieve greater success.

With that, Chair, I turn it back to you.

The Chair (Mr. Michael Prue): Right to the second. Thank you very much. The floor is now to the official opposition. Mr. Leone.

Mr. Rob Leone: Thank you, Minister, for coming this morning. My first question, I think, is a very important one given what has happened over the last couple of weeks with respect to emails being deleted. I'm going to ask you: Can you 100% rule out that anyone in your office did not delete previous emails on their com-

puters—in your office and the previous finance minister's office?

Hon. Charles Sousa: Well, I can say this: We have put in place and recognized that all information that is FOIable is available to the public and to the committees. In fact, I know our ministry has just recently provided substantive amounts of materials to the justice committee, and we will continue to abide by what's necessary and what's required.

Mr. Rob Leone: So is that a 100% guarantee that no emails were deleted in your office or the previous finance minister's office?

Hon. Charles Sousa: I can tell you that we will provide the information that is required and what's requested, and that is what is being done.

Mr. Rob Leone: So, that's a no?

Hon. Charles Sousa: No, I'm telling you that we will continue to provide the information that you request.

Mr. Rob Leone: Well, we're looking for a 100% guarantee that no emails were deleted. Can you give that to us today?

Hon. Charles Sousa: I can tell you that we have established a set of requirements and a protocol, and we will continue to abide by them. We have told our staff that that is what they must do, and that is exactly what is being done. The deputy here has provided quite a number of materials and more beyond that which was requested initially because we want to make certain that we're open and transparent. We want, exactly, full knowledge and understanding of the things that are happening. We've encouraged full disclosure, and we will continue to do so.

Mr. Rob Leone: I'm wondering if you can undertake an investigation of whether any email deletions have taken place. Can you do that and report back to this committee?

Hon. Charles Sousa: I will continue to provide all the information that you request and will continue to do just that. We have continued to abide by the requests of all committees, and full disclosure is exactly what we will do.

Mr. Rob Leone: Well, we haven't received full disclosure from other ministries.

Can I ask the same question to the deputy minister? Could you 100% guarantee that no one in this finance minister's office or the previous finance minister's office has deleted any emails with respect to pertinent information that we'd consider pertinent?

Mr. Steve Orsini: Okay, my name is Steve Orsini, Deputy Minister of Finance. In response to your question, we have been responding to a number of committee motions from justice policy. I think there are three motions that have been responded to, to date. In the process of pulling together that information, we have struck a team to review the methodology. The details of that methodology had been submitted to the justice policy committee. The first two motions were really focused on the deputy's office, the office of the treasury board and the Office of the Budget and Treasury Board. The third motion expanded to the entire ministry.

Mr. Rob Leone: Deputy Minister, the problem is that we can respect and understand that you've provided documents. We are concerned about the documents that have not been provided, that have been deleted, that are permanently erased from the public record. We're just asking, since you're here in committee under oath, can you guarantee us that nothing of that sort happened within the Ministry of Finance—100% guarantee, yes or no?

Mr. Steve Orsini: I just want to complete the methodology that we undertook. The third motion expanded it to the entire Ministry of Finance, which, by our understanding and interpretation of the motion, included the minister's office. We undertook to pull together all the material for the Ministry of Finance that I'm responsible for, and the minister's office undertook to pull together its information from the minister's office. My understanding is that a number of boxes, maybe one or two, were submitted from the minister's office as part of the third motion. That's my understanding to date: that the information that the minister's office had pulled together has been submitted to the committee.

Mr. Rob Leone: Minister, you stated in your opening address that you don't want to shift the financial burden on to future generations. Now, of course, over the course of your government's tenure, you've increased the financial burden on future generations by hundreds of billions of dollars, and your deficit target for next year is actually higher than this year—by about \$12 billion is the total—and your debt is going to go up by \$24 billion. I'm wondering how that squares with what you just said about shifting the financial burden on future generations. It doesn't square to me.

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Hon. Charles Sousa: What we want and what we're doing is investing in our future. Much of the capital infrastructure, the continuing investment in transportation, investments in economic renewal, investing in our youth programs, is all about investing in future generations. The accumulation of debt that has occurred during these recessionary times was done with the purpose of stimulating economic growth and renewal.

What we do, and what we must do, is eliminate and tackle the deficit in our books so that future generations aren't saddled with increased debt, especially as it relates to their GDP. We want to grow our economy, support growth so that we can afford the debt that's being accumulated, while at the same time ensuring greater prosperity for future generations.

Mr. Rob Leone: So I guess you're suggesting that your government, by accumulating hundreds of billions of dollars, has failed on that target.

My question to you, sir, is, can you guarantee me that there will be no credit downgrade after this budget passes today?

Hon. Charles Sousa: The notion that we're improving and creating more jobs, over 450,000 net new jobs since the recession, and the fact that we have strong economic fundamentals in Ontario; the fact that many

credit agencies that I've been meeting with over the last number of weeks have well received the economic plan that we put forward; the fact that we're investing in our youth so that we can continue to, again, be more productive than other parts of the world, because our youth unemployment, while high, is still more productive than it is elsewhere; the fact that we're continuing to attract more investments in Ontario than any other parts of North America; the fact that we have even greater economic prosperity today than we did at pre-recession levels; and the fact that we have a target to establish a net debt-to-GDP ratio of 27%, as it was prior to the recession, would tell me that we haven't failed, that we actually are going forward to succeed and create a more prosperous Ontario, and that is exactly what our rating agencies are looking at. They're looking at stability, and they recognize that Ontario has become a strong attraction in its bonds. In fact, recently in New York, our bonds were well received.

The two credit agencies have reaffirmed our rating, both DBRS and Standard and Poor's, so I would say that, with a lot of hard work by a lot of Ontarians around this province, we're all doing our part. We're doing our part to ensure greater prosperity, and we're also doing it in a way that doesn't leave anybody behind, so those most vulnerable are also having an opportunity to be gainfully employed.

Mr. Rob Leone: So you're saying there won't be a credit downgrade—

Hon. Charles Sousa: I'm saying that we are succeeding and will continue to do so.

Mr. Rob Leone: Dwight Duncan suggested in a speech recently that the credit rating agencies would provide your government with some stern words with respect to the budget that's about to be passed today. Your budget has steered clear of some of the things that he tried to do in terms of restraint. In particular, there was a wage freeze policy that he tried to implement and obviously failed at doing that.

I have to say, Minister, that we actually have lots of documents from your treasury board and your office that have stated that your plan is going down the wrong path and the fact that you're preparing for a credit rating downgrade. The recent wage agreement with the LCBO is certainly not in keeping with the kind of wage restraint that your own bureaucrats say you need to balance your budget by 2017-18. So how does that square? You're not giving me a guarantee that they won't go up—there will be a credit downgrade, and your previous finance minister is saying that there are going to be stern words, yet you've presented this flowery picture of the fiscal situation that your own bureaucrats don't even agree with. How does that square? How can you explain away those issues?

Hon. Charles Sousa: I'll square it for you. Here it is: You're talking about—there are three things you've just mentioned. One is the release of documents and the fact that you've received lots of them from treasury board and finance, well beyond that which pertains to the issues at

hand before justice, which again speaks to the fact that we're being open and transparent and we're giving you all good stuff, lots of information about what it is that we're doing, in a very open and transparent manner.

The other issue that you talked about is results. You talked about our wage freezes and our ability to work closely with labour, with employees, and at the same achieving zero-zero results. In fact, even arbitrated deals: Some of them are coming in at zero-zero. That speaks to the fact that our envelope for compensation—and it's outlined in our budget—is frozen. We don't have more room to negotiate higher contracts in the next two years.

The last piece that you talked about is very interesting, and that's around austerity measures and the degree to which we need to cut. During my recent visits over the past month to talk to a number of agencies as well as other parts and other economies around the world—we need to take a balanced approach. Across-the-board cuts would actually hamper our sensitive recovery. In fact, the very rating agencies that we're talking to, their biggest caution is, "Make certain you have a plan that's effective, that has investments to create and attract business, and don't be caught in excessive measures on either side of the spectrum." The austerity measures that are facing Europe today aren't so much a government-led initiative; it's a reaction to the markets. The moment the markets are saying that they're not going to support that particular jurisdiction, that's when excessive cuts have to take place.

We're trying to stay ahead of the market. S&P, DBRS and the bond agencies, the investment bankers that I'm speaking to: They're selling our bonds. They're underwriting our paper. They're saying, "Ontario is an attractive place to do so," because we have a strong economic plan. We're doing it in conjunction with over 600,000 submissions of people across Ontario who brought forward their recommendations.

We recognize—and, more importantly, the public recognizes—that we have to take disciplined and determined measures now so that we hold our spending—not necessarily having to make across-the-board cuts because we still want to invest—but that we do so in a very controlled manner that stimulates economic growth, that stays ahead of the excessive issues that are happening in other parts of the world, that attracts that business investment and enables us to grow our economy and then grow our GDP.

Mr. Rick Nicholls: Thank you, Minister. First of all, I want you to know that I do appreciate the financial picture of Ontario. You're saying all the right things, and even I was getting excited as I was listening to what you were saying.

Hon. Charles Sousa: You should be.

Mr. Rick Nicholls: But then I woke up and then I remembered the last 10 years. I remembered how the debt—from when you took over 10 years ago to today—has increased over 230%. Then I also took a look at it and I said, "Wow, your budget forecast for this year—you're increasing expenses by \$3.6 billion."

I guess my first question to you, Minister, is simply this: Your plan to balance the budget really and truly is perhaps a little—and I say this respectfully—more fictional than it is reality. In looking at the numbers and what you've done—and I'm firm believer that past actions are an indicator of future actions—I'm concerned. That's why we, as a party, are very concerned that with this new budget, that it's pretty much more of the same, and that a lot isn't going to change especially over the next, perhaps, three years as we look at what you have forecasted over the next three years.

What would your comments be to that?

Hon. Charles Sousa: I would agree with you. Past experience and past actions are a reflection on where you'll see us going. What we've done and achieved in the past has been record-setting improvements to our economy. We've made record numbers of investments so that we can, again, promote and strengthen our fundamentals. These are critical.

You talked about what the debt level is today than what it was 10 years ago. Well, look around the rest of Canada. Recall what it was when the Conservatives were in power for 30 years and the degree of debt increases over that period of time. As the economy grows, as we invest in our infrastructure, what's important is the degree at which we can afford the debt. What's important is our debt-to-GDP. What's important is how we can continue to support these investments so that we grow our economy. Listen: 30 years ago—even 20 years ago—I believe the overall budget was around \$30 billion; it's over \$130 billion today. So the degree of activity, the degree of economy, the degree of strength of Ontario has improved dramatically.

Look at the federal government. You talk about growing debt levels. The whole of Canada has experienced the same initiatives. What we need to do, though, is have a strong plan for economic recovery and a strong plan to support this existence. That has been our past experience. That has been our actions to date. We know that we were deliberate in making these investments during the recession. That is why Ontario weathered the issues much more quickly and much more favourably than other parts of the world, because we were very pragmatic and very strategic in those investments to support long-term prosperity and long-term competitiveness.

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Mr. Rick Nicholls: Well thanks, Minister, but we do realize too that Ontario is pretty much a bottom-feeder right now compared to the other provinces.

Looking at the current budget, our impression is simply this: You caved to NDP pre-budget demands in the amount of about \$1 billion. That's a path that we just cannot continue to follow.

Our concern is this: You really don't have a plan, Minister. The deputy knows it; the entire Ministry of Finance knows it. Will you finally admit that this budget is more fictional than it is reality?

Hon. Charles Sousa: I know the line of questioning that you're getting to, because you had the same questions even prior to reading the budget in the first place. You've been saying this for the last three years at least that I can recall, which unfortunately is not showing a lot of hope and positivity to the public or to the people out there who are working hard to make this recovery work.

We're going to stand by the people of Ontario. This budget is very much the budget of Ontarians. It was submitted and contributed to by their recommendations. It wasn't just one party's initiative; in fact, I would say that a lot of these items that are included in this budget have shared issues and values with your party, too, because we're talking about investing in people, and there are a number of initiatives that we all share in common.

It is more than any one political party. Frankly, the public doesn't really care if you're red, blue, orange or purple. What they care about is, what are you going to do to improve our lot in life? How are you going to support my kids so that they have a better start? What are you going to do for my mom and dad so that they have the care they need when they get older? This budget speaks to them. This is a budget that talks about investing and helping people in their everyday lives and creating jobs. We're going to continue to do just that.

Mr. Rick Nicholls: Thank you, but again, we have brought forward many good ideas, we feel, as well, and of course, you've rejected them. One of the things that we felt would really help put this economy of Ontario back in place is an across-the-board public sector wage freeze. You've denied that, and you mentioned earlier that you reject across-the-board cuts to health and education, which probably could have saved this province around \$2 billion per year. We were only saying for the next two years, but it may in fact be that that type of savings would need to last much longer than those two years.

I don't have many more questions, Minister, other than the fact that we need to realize and understand that the buck stops with you. Of course, we realize too and you've indicated how positively Standard and Poor's and the other agencies are saying, hey, they're looking forward to Ontario and a positive outlook—yet, on the other hand, we also know that just a 1% increase in the interest rates will in fact cost you and I, Ontarians, about a half a billion dollars in additional interest charges. We also know that the interest payments, if that were in fact a ministry, that would probably be about the third-largest ministry in the Ontario government at this point.

I'm giving this over to my other colleague, Mr. Harris. I know that he has some questions that he would like to share with you.

Mr. Michael Harris: Good morning, Minister. Thank you for coming.

Hon. Charles Sousa: Good morning.

Mr. Michael Harris: I have to ask, you must be basing your goal of a balanced budget by 2017-18 on something. After all, there's really no plan after 2015. I have to ask, do you believe in magic?

Hon. Charles Sousa: Sorry; repeat the question.

Mr. Michael Harris: You must be basing your goal of a balanced budget by 2017-18 on something, because there's no plan after 2015 to do so. So I'm simply asking, do you believe in magic?

Hon. Charles Sousa: There's a plan that's outlined in the budget that talks about how it is that we're going to achieve balance. We recognize that there are challenges in the out years. We've been very clear on those initiatives. We've dedicated a whole chapter to some of the issues that we face.

We recognize that the growth that was anticipated in previous budgets called for a 2.2% increase in GDP and revenue growth. That's been reduced to 1.5%, recognizing the effects that are occurring around the world, recognizing that even the emerging markets themselves are having lower rates of growth. All that together makes it more difficult for us to achieve results. But Ontario's fundamentals, the investments that we made in recent years, the fact that we have achieved and exceeded our targets as a result of those plans and determination, put us in a much better stead in these years that are coming forward.

We have a whole chapter dedicated to the Drummond commission's report, of which now 60% is being utilized. Those transformational changes in the way we deliver public services will enable us to have less pressures on those out years.

It's important that we continue to control our spending. That's why our program spending is below 1% year over year—

Mr. Michael Harris: Thank you, Minister—

Hon. Charles Sousa: And that is why our plan is working. We've achieved them. We've shown that we can, and we will continue to do so.

Mr. Michael Harris: I'm wondering, then, if you reference your budget, if you can actually point to one chart or graph that actually details program expenses beyond 2015.

Hon. Charles Sousa: We'll provide you with the information that you're looking for. In the meantime, we recognize that it is critical in those out years, given the challenges that are coming forward, that we take the determined and disciplined steps that we're taking now.

You talk about the requirements to control compensation. Well, we've achieved those results without having to find ourselves in constitutional debates or in legal wranglings that would create even greater havoc and would be proposed by the opposition.

You've also mentioned how you would like us to cut even more with health and education. These are critical investments that we make in our future and in our children and certainly in our society. We've got to not so much provide across-the-board cuts but transformational changes in the way we deliver those essential and critical services.

Mr. Michael Harris: Right, and I agree with that, but—

Hon. Charles Sousa: And one more item: All of this is about maintaining stability of our economy and making certain that rating agencies and the public value what we have.

Your colleague mentioned the degree of interest. Over the last 10 years, we've been able to control our interest costs, notwithstanding the increase in our debt, and that's why we are locking in much of our paper over a 30-year span, to minimize the volatility and the exposure to interest. But we have to take those steps. We have to continue to do these things in order to create stability in our place.

Mr. Michael Harris: Well, maybe I can ask—

Hon. Charles Sousa: I'll refer you to page 129, if I may. In it, it talks about some of our pension savings, and this is one of the items in the out years that's going to be able for us to support some of our initiatives going forward.

As you can see, the forecast calls, in 2017, for \$4.2 billion in projected pension expenses versus our current forecast of \$2.4 billion, which is \$1.8 billion less than what was anticipated.

These are just some of the initiatives that we're doing in the out years to control our spending and to enable us to come to balance by 2017-18.

The Chair (Mr. Michael Prue): If the minister, when answering, can get a little bit back from the mike. They're getting a lot of feedback here in recording.

Hon. Charles Sousa: I'll speak more softly.

The Chair (Mr. Michael Prue): There's about five minutes left.

Mr. Michael Harris: Maybe I can ask the deputy, then, to talk about why there are no real charts or graphs detailing any program expenses beyond 2015.

Mr. Steve Orsini: The fiscal plan is structured in a number of ways. There's the current fiscal year, that has the most detail; the medium-term fiscal plan, which goes to 2015-16, that has it by major sector; and under the Fiscal Accountability and Transparency Act, it does require a plan to balance by 2017-18.

There is a chart that shows program spending, by major line item, that takes the fiscal plan to 2017-18. But the way the fiscal plan is struck, like it was in past years and years before that, the current fiscal year detailed ministry details; the medium-term fiscal plan, more details to 2015-16; and, as required under the legislation, a path to balance by 2017-18 or whatever the year it should be.

Mr. Michael Harris: Thank you. Back to the minister: Minister, what is the probability of actually balancing the budget by 2017-18? Do you have a plan to do so?

Hon. Charles Sousa: Well, that's the plan. That's what we're doing. We have exceeded our plan for four years running, by the tune of \$22 billion. We have achieved and shown the ability to continue to exceed—this year alone—by \$5 billion. Every effort and every step that we're taking is to balance the books by 2017-18.

Now, I recognize that other provinces and other parts are even more aggressive with a hockey-stick growth and recovery by 2015. We reject that notion. We want to be certain that we're doing this in a very pragmatic and systematic way to balance the recovery and come to balance by 2017-18, as outlined in our budget.

Mr. Michael Harris: Minister, where are the numbers, though, from 2015 to 2017 on the expenditure side? Where are they? Did David Livingston delete them all?

Hon. Charles Sousa: We've outlined in our budget how it is that we're achieving it. We've recognized what we've been able to do thus far. We know that next year's budget forecast is going to be \$1 billion lower than what was initially anticipated. We've renegotiated a number of pension agreements, to the tune of \$1.8 billion to \$2 billion annually in savings. Those things are outlined in our budget, and that is where we're going to be headed.

Mr. Michael Harris: How much time do I have left?

The Chair (Mr. Michael Prue): I believe you have about three minutes.

Mr. Rob Leone: Mr. Chair, I'd like to move—I've got some motions—a couple of motions, if I could, or at least one.

The Chair (Mr. Michael Prue): You have a motion? It's being handed out now. Okay. After it's handed out, if you could read it into the record.

Mr. Rob Leone: I move that the Standing Committee on Estimates request from the Ministry of Finance, Cabinet Office and Office of the Budget and Treasury Board the following documentation: all fiscal journals produced for treasury board/Management Board of Cabinet between April 1, 2013, and June 11, 2013; medium- and long-term expense outlooks containing fiscal years 2015-16, 2016-17 and 2017-18; any documents dated 2013 containing consideration of user fees and/or revenue-generating fees, taxes or tolls; all fiscal and economic update presentations and/or slide decks provided to cabinet;

That the documents be provided to the committee by June 25, 2013;

That the documents be provided in a searchable electronic PDF.

The Chair (Mr. Michael Prue): We have a motion moved. Any discussion? Then I'll go to Mr. Mauro.

Mr. Rob Leone: Yes. Just very briefly, Chair, we're looking for this documentation because it's a continuation of some of the documents that we already have in our possession that would give us and provide us with a clearer picture of the fiscal situation in the province of Ontario.

The Chair (Mr. Michael Prue): Mr. Mauro.

Mr. Bill Mauro: I'd just like to request a 20-minute recess, if I could, please.

The Chair (Mr. Michael Prue): The request would be in order. It's usually done at the time of a vote, but if you want 20 minutes now—

Mr. Bill Mauro: Yes.

Mr. Rick Nicholls: Point of order, Chair.

The Chair (Mr. Michael Prue): Point of order, yes.

Mr. Rick Nicholls: I'd like to correct the record, if I may. I said earlier "across-the-board cuts to health and education," and I should have said, actually, "across-the-board public sector wage freeze."

The Chair (Mr. Michael Prue): Okay. It's always in order to correct your own record.

There has been a request for a 20-minute recess. This will take us, I think, to the time that we have to—

Interjection.

The Chair (Mr. Michael Prue): Then we can come back for five minutes before question period starts.

We'll take a 20-minute recess at this time. We'll try to determine at that point whether or not this issue can reasonably be resolved. I don't want to keep the minister or the staff here if it cannot be resolved.

A 20-minute recess has been requested. We'll see everybody here promptly, according to that clock, at 10:24. That's just before the bells start ringing.

The committee recessed from 1004 to 1022.

The Chair (Mr. Michael Prue): This meeting is resumed. Any discussion on the motion? Mr. Mauro.

Mr. Bill Mauro: I want to thank Mr. Leone for bringing forward this particular motion. On the surface, it seems relatively innocuous, but I would suggest that—and I hope that maybe he would agree and understand—the request, while being straightforward in terms of what's requested, does place an incredible burden from a timeline perspective on the staff who are going to be tasked with trying to pull these documents together; it's going to represent hundreds of thousands of pages of documents.

It's also my understanding that many of these documents have already been released to the justice policy committee, so maybe that will actually relieve them of some of the work that is contemplated here in your resolution. But having said that, we're happy to support it.

As the minister has said already, his ministry and other ministries have gone beyond what's been requested in the past in terms of the release of documents to various standing committees of the Legislative Assembly.

We're happy to support it, but I would like to move an amendment, Chair, to the motion, just asking if we could have the support of the other members in delaying the timeline from June 25 by about a month, to July 25.

The Chair (Mr. Michael Prue): I don't know whether that's a friendly amendment, but the amendment has been made.

Interjection: Yes.

Hon. Charles Sousa: Sir, can I speak to it? Am I allowed to?

The Chair (Mr. Michael Prue): Not really, no. The minister does not take part in the debate.

Hon. Charles Sousa: I just wanted to ask—

Interjections.

The Chair (Mr. Michael Prue): Okay. We have an amendment made to the motion. Any discussion on the amendment?

Mr. Rob Leone: I'd be willing to meet the member halfway. If we could perhaps move that date to the first week of July, I'd be happy to make an amendment—

The Chair (Mr. Michael Prue): You're going to make an amendment to the amendment?

Mr. Rob Leone: Sure. Well, I don't want to make an amendment—I mean if we could amend the date—

The Chair (Mr. Michael Prue): That's what it is.

Mr. Rob Leone: If we could make the date—if he would change the date from the end of July to the beginning of July, I'd be happy—

Interjection: Well, it would change the initial motion.

Mr. Rob Leone: —happy to do it. Just asking.

The Chair (Mr. Michael Prue): Is there some form of compromise available here, Mr. Mauro?

Mr. Bill Mauro: Chair, I would say that we really felt like we'd compromised on July 25. There were people, before I came back into the room, who were contemplating that our amendment to the motion should have asked for a larger amendment than just simply July 25. There were some people who would have preferred to see Mr. Leone's motion amended into August or perhaps even into September. It is a significant ask, and we do feel like July 25 is not being unreasonable at all. I guess I would say, back to Mr. Leone, if he could live with only two weeks more, I'm not sure why he couldn't live with four weeks more in terms of what that might mean in terms of—

The Chair (Mr. Michael Prue): I'm not going to do that. If this is the only debate, I'm going to call that. If your amendment succeeds, that's going to be it; if it doesn't succeed, someone else can make another counter-amendment.

Further discussion?

Ms. Catherine Fife: So you are not allowing Mr. Leone to amend the amended amendment?

The Chair (Mr. Michael Prue): No.

Mr. Rob Leone: No; it's July 25.

Ms. Catherine Fife: July 25; okay.

The Chair (Mr. Michael Prue): He's amending the main motion.

Ms. Catherine Fife: Just a point of clarification: How much of this information that has been requested by the PCs has already been provided through the justice committee? Because that would impact the way that we'll be voting.

The Chair (Mr. Michael Prue): I don't think there's any way of knowing, of the 100,000 or so documents, how many have already been released.

Ms. Catherine Fife: Well, Mr. Mauro says that much of that information has already been provided through justice and if they already have most of that information then it shouldn't be that timely—it shouldn't take that much time. It's a question of clarification, and it's legitimate.

Mr. Michael Harris: Yes, and to a point on that, when the justice committee asked for documents, two weeks is a fair enough timeline and they've been following that

request. So I don't see why it should be any different with this.

The Chair (Mr. Michael Prue): Okay, we have Mr. Mauro's amendment. We're going to deal with that now. All those—

Interjection.

The Chair (Mr. Michael Prue): Mr. Mauro?

Mr. Bill Mauro: Sorry, I just want to address—the dialogue has changed slightly. I do want to address what Ms. Fife from the NDP has said. My comment on much of the documentation having been released to other standing committees—the justice policy committee is not a committee that I sit on but I believe that I did hear the minister make reference, in his 30-minute speech when we first began today, suggesting that in fact much of the same documentation has been released.

Having said that, it may be in different forms. There are serious issues of confidentiality, I would expect, that need to be dealt with in terms of dealing with the request. I would restate what I said initially. Perhaps Mr. Leone would be able to suggest to the committee why in fact two weeks is seemingly an egregious request in his mind or in the minds of the Conservatives in terms of simply delaying this from—I guess this would make it, instead of the 25th, would take it back to July 11. I mean, if there is some substantive reason as to why July 25 would place his particular party, in terms of what it is that they're trying to accomplish, in a more difficult circumstance than July 11 would, I'd be interested in hearing it. But, quite frankly, I don't understand. This is a staffing issue; it is no more, no less.

We are agreeing on the transparency point. We're more than happy to support the motion to see that the documents are released. That is fundamentally what the discussion and the motion are about. I have no problem doing that. We're here, prepared to vote and put up our hands to support the motion. We're simply asking from a task and a staff perspective—summer holidays are starting; I don't know what's going to happen with the staffing in the relative ministries. We simply are asking to have a little bit of accommodation in terms of the timeline here to allow to ensure that the request is met. I don't see it as egregious, difficult, contradictory or an unfriendly amendment. It seems to me it's quite in keeping with the intent of Mr. Leone's motion. We're just simply asking for an extra four weeks.

The Chair (Mr. Michael Prue): Okay, I'm going to call the amendment at this point. All those in favour of the amendment made by Mr. Mauro? Opposed? I'm going to vote against the amendment and leave it back to the original motion.

All those in favour of the original—that's Mr. Leone's—motion? That carries. There's none opposed. That's 8-nothing; then that carries.

It now being 10:29—we have to break any second. We will let the minister know when he and his staff will be required to return. At this stage, because the House leaders have not finalized whether or not we'll be meeting this summer, we don't know, but the second we

find out you'll be the first to know. Failing that, we'll see you in September.

Hon. Charles Sousa: Thank you very much.

The Chair (Mr. Michael Prue): Okay, meeting adjourned.

The committee adjourned at 1030.

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Standing Committee on Estimates

Ministry of Finance

Comité permanent des budgets des dépenses

Ministère des Finances



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 10 September 2013

Mardi 10 septembre 2013

The committee met at 0908 in room 151.

APPOINTMENT OF SUBCOMMITTEE

The Vice-Chair (Mr. Taras Natyshak): We'll call the meeting of the estimates committee to order. Good morning, friends and colleagues. Before we begin, I've been notified that there are some housekeeping items to take care of prior to hearing any testimony from the minister.

Number one on the agenda is to inform committee members that the Vice-Chair—myself—will deal with a couple of housekeeping matters before resuming; that is, the appointment of subcommittee members on committee business. So I'll request that a motion be given to nominate subcommittee members. I understand that Liberal members aren't quite certain at this point.

Mr. Mike Colle: I'll do the subcommittee stuff.

The Vice-Chair (Mr. Taras Natyshak): So you're going to nominate—

Mr. Steven Del Duca: I'll nominate Mr. Colle, the member from Eglinton—Lawrence.

The Vice-Chair (Mr. Taras Natyshak): Very good. Okay.

Ms. Catherine Fife: I second that.

Mr. Mike Colle: Thanks.

Interjections.

Mr. Steven Del Duca: I move that the subcommittee on committee business be appointed to meet from time to time at the call of the Chair, or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting; and

That the subcommittee be composed of the following members: the Chair as Chair, Mr. Colle, Mr. Leone and Mr. Natyshak; and

That substitution be permitted on the subcommittee.

The Vice-Chair (Mr. Taras Natyshak): Thank you, Mr. Del Duca. Any discussion on the motion? Seeing none, we'll vote on the motion.

All in favour? All opposed? Carried.

To the opposition members: Do you have a nomination for subcommittee? No?

Mr. Rob Leone: It was all in the one motion.

The Vice-Chair (Mr. Taras Natyshak): Oh, everybody was in that. Very good. Thank you very much.

Interjections.

The Vice-Chair (Mr. Taras Natyshak): And I'm included in that motion, so I should have paid attention.

Mr. Steven Del Duca: Last but not least on the list here.

The Vice-Chair (Mr. Taras Natyshak): Well, thank you very much, Mr. Del Duca.

COMMITTEE BUSINESS

The Vice-Chair (Mr. Taras Natyshak): The second housekeeping item has to deal with the receiving of documents. It's one that I think members of the committee know that was carried over from the last session and one where you'll see there are some correspondences that are referenced from the Chair back and forth to the minister, indicating, I guess, some directives about accepting the contents of the documents that have been filed or presented and those that have not yet. So I'll put it to the committee members to figure out how we receive these documents, in which format. There are several options on the table, but I believe that this is obviously critical to us debating the estimates and understanding the relevance of those documents as it relates to the estimates.

I will make committee members aware that the minister has requested an opportunity to speak to committee members prior to us actually coming to a decision, so be aware of that.

Interjection.

The Vice-Chair (Mr. Taras Natyshak): He wants to do that. It's up to the committee members to decide whether we want to hear from the minister about these documents and about the options of receiving these documents. Once we get through that, we can then proceed to deciding how we do receive these documents.

Any discussion on that housekeeping item?

Mr. Steven Del Duca: As per your request, Chair, if we could ask the committee's indulgence to give the minister the opportunity to say a few words on this before we come to a decision, that would be helpful.

Mr. Rob Leone: Here's my concern: We don't have a lot of time in this committee. We have to report back by the middle of November in terms of the estimates, and we're already—I don't know how long the minister is going to take to get here.

Mr. Steven Del Duca: Momentarily.

Mr. Rob Leone: I'd like to get started as quickly as possible before we have 20-minute recesses and stuff like that, things of that nature. So I would suggest that we deal with the matter just on the basis of let's go on with it, because we don't have a whole lot of time here to be looking at and examining the estimates of all the ministries that we have before us, and every minute is crucial in that regard.

Mr. Steven Del Duca: I certainly understand the concern, Chair, but if I could just ask the committee to go along with this request at this moment. The minister, I understand, is only a few moments away—stuck in traffic, unfortunately, from what I understand. I understand the importance to the member from Cambridge, and the points that you've raised. I appreciate and respect those, but I would ask that we give the minister the opportunity to speak to this matter before we actually render our decision.

The Vice-Chair (Mr. Taras Natyshak): I would say that if the minister was here—and unfortunately he is stuck in traffic, and that's really unfortunate, but I don't see that it is a good use of the committee's time to wait to see when the minister does arrive. I certainly understand the nature of traffic in Toronto. I was stuck in it a little bit earlier today, but I did get here on time. I would say that, unfortunately, we're going to have to pass over the ability for the minister to make any presentation. So I would ask committee members to now consider the item that is on the table, which is the receiving of the documents.

For the committee's indulgence, I have requested some options that we can all consider. They aren't precedent; they are simply sort of an amalgamation of options that have been used throughout other committees that have sort of dealt with the same—

Mr. Mike Colle: Point of order, Mr. Chair.

The Vice-Chair (Mr. Taras Natyshak): Sure.

Mr. Mike Colle: I'm just wondering, have you ruled then that you're not going to listen to the minister?

The Vice-Chair (Mr. Taras Natyshak): I have ruled, yes.

Mr. Mike Colle: I think the committee should have a vote on that.

The Vice-Chair (Mr. Taras Natyshak): You can put a motion forward to have the committee vote on it.

Mr. Mike Colle: I move that we recess until the minister is able to be here to briefly address the committee.

The Vice-Chair (Mr. Taras Natyshak): Mr. Colle, I'll stop you. If you want to submit a motion, I would request that it be in writing. But if you're asking for a recess, you can simply ask for a recess.

Mr. Mike Colle: Yes, I'm going to move for a recess.

The Vice-Chair (Mr. Taras Natyshak): Okay. All in favour of recessing for—how long?

Mr. Mike Colle: Fifteen minutes.

The Vice-Chair (Mr. Taras Natyshak): Any members? Do you agree? Recess: 15 minutes?

Mr. Rob Leone: I'm not voting for it.

Ms. Catherine Fife: I'm not voting for it.

The Vice-Chair (Mr. Taras Natyshak): Those in favour?

Mr. Steven Del Duca: Those in favour of?

The Vice-Chair (Mr. Taras Natyshak): Recessing for 15 minutes. Those opposed? Four against three, we're not going to recess.

Mr. Grant Crack: Point of order, Mr. Chair.

The Vice-Chair (Mr. Taras Natyshak): Mr. Crack?

Mr. Grant Crack: Does there necessarily have to be a vote when it comes to asking for a recess? I don't think so.

The Vice-Chair (Mr. Taras Natyshak): I'm told that if the committee doesn't agree to recess—I took a formal vote just to see—then we don't have to recess. A vote is not necessary, but obviously we know the will of the committee.

Ms. Fife?

Ms. Catherine Fife: I'd like to hear some of the options that you had started talking about.

The Vice-Chair (Mr. Taras Natyshak): I can do that, and we can debate the context of the options. We'll see what happens, if the minister shows up by the time we're done reviewing the documents, then we'll see if we can get him to interject.

I have a chronology of the events relating to the documents, just to put this into context for members—

Mr. Rick Nicholls: Point of order, Mr. Chair, just before you get started.

The Vice-Chair (Mr. Taras Natyshak): Sure.

Mr. Rick Nicholls: I just wanted to clarify the fact that whatever time is consumed from when we started until the minister comes will not go against the amount of time that has been allotted, that we can in fact—

The Vice-Chair (Mr. Taras Natyshak): It does not.

Mr. Rick Nicholls: Just a point of clarification, thank you.

The Vice-Chair (Mr. Taras Natyshak): The clock starts when the minister begins to deliver his testimony on the estimates.

Mr. Rick Nicholls: Thank you.

The Vice-Chair (Mr. Taras Natyshak): You're welcome.

So back to the chronology that we have here. Documents received during the summer adjournment: The committee adopted a motion on June 11, 2013, requesting certain documents from the Ministry of Finance, Cabinet Office and the Office of the Budget and Treasury Board: A letter from the Secretary of Cabinet was received June 25, 2013—members will see that letter; a letter from the Ministry of Finance, with one box of sealed documents responsive to parts 1 and 4 of the June 11 motion—that letter was dated June 25; a letter from the deputy minister to the minister outlining the methodology used in the document search, also of June 25, 2013; a memo from the deputy minister outlining directives to ministry staff, June 21, 2013—members will be aware that responsive documents only are responsive to parts 1 and 4 of the request from the committee.

The minister requested an opportunity to address the committee members before a decision to unseal the documents as some of the information filed is flagged as sensitive. Therefore, I presented that option to the committee. A letter from the committee Chair, advising the minister that his concerns will be presented to the committee when the House resumes in September for members to decide on how to receive the documents—that is what we are doing right now—and a memo from the Clerk to update the committee on the status of the June 11 motion is also a part of the correspondence that I believe you all have. It's dated June 26, 2013. You also have a letter from the Secretary of Cabinet, dated August 16, 2013, and a letter from the Secretary of Cabinet dated September 9, 2013.

Therefore, the options for this committee to consider with regard to the consideration of sensitive information are:

First is to exhibit and to make documents public by distributing a copy to each member of the committee.

Second is that committee members may review documents in camera before deciding on what to do with the information.

Third is that committee members keep the documents confidential but allow members to view the documents privately before committee decides on what to do with the information.

0920

The fourth option is to keep documents confidential but give a copy of the documents to a representative of each caucus before committee decides to do—did I just read that one? No? So again, the fourth option is to keep documents confidential but give a copy of documents to a representative of each caucus before committee decides on what to do with the information.

The fifth option is to allow the person who flagged the documents as sensitive to brief the committee in camera before the committee decides what to do with the information. Of course, the minister has already requested to address this committee.

The sixth is to exhibit and make all non-sensitive documents public by asking the filer to separate the information for the committee.

We have six options that I would suggest be considered here. It doesn't preclude us from taking any of these six options or a hybrid of them, but I would like the committee members to try to come to some consensus, to get through this portion, as we can, obviously, continue on through the estimates after this.

Members? Any discussion?

Mr. Mike Colle: I think, now that the minister is here, we should just give the minister an opportunity to comment on some of the implications of some of the choices we're about to make. It would help us make a better decision. Maybe you want to even bring in the secretary of cabinet to give us some background information. Maybe you've done it already. I don't know if he has come in here.

I think the context of all this is that I know the incredible amount of security there is in preparing budget documents, where the OPP comes in and there's a total lockdown in the Ministry of Finance, and there's a real serious prohibition on any discussions of pre-budget documents, especially in budget time. I'm not looking so much at the—and I'm sure a lot of this probably implicates the budget.

As I said, has the secretary of cabinet appeared before? I'm not sure if it's the secretary of cabinet or whoever is in charge of or knows about these processes—if he or she has addressed the committee.

The Vice-Chair (Mr. Taras Natyshak): I don't believe the secretary of cabinet has made a request to speak to committee but—

Mr. Mike Colle: Or whether they would be the appropriate person, I'm not sure.

The Vice-Chair (Mr. Taras Natyshak): Thank you, Mr. Colle.

First of all, welcome, Minister Sousa. Good morning. We understand you were stuck in traffic. We had decided to proceed beforehand.

Hon. Charles Sousa: Thank you.

The Vice-Chair (Mr. Taras Natyshak): It is up to committee members as to whether they hear the minister, prior to his actual testimony on the estimates, about his request to speak to the committee members on the nature of the document release. I'll pose it again to committee members to decide whether you want to hear testimony, or do we want to try to come to a decision, as a committee, about the documents?

Any discussion?

Mr. Rob Leone: Can I ask, Minister, how long do you need to discuss this matter?

Hon. Charles Sousa: It would just be only about, say, four minutes of opening statements. I would highlight specifically where we are in the methodology in terms of revealing those documents and some of the concerns that we have, but notwithstanding that, that we will comply. If you allow me—some of the work that we've done already, I'd like to express that to you and share with you what we've found.

Ms. Catherine Fife: Let's just go ahead.

The Vice-Chair (Mr. Taras Natyshak): Is there consensus to hear from the minister? Well, there we are.

Hon. Charles Sousa: Chair, thank you so much. Members, I appreciate this. Thank you for the opportunity to be able to address the committee just for a few minutes.

When we last met, you had asked for the ministry to provide you with a number of documents. This request included:

(1) all fiscal journals that were produced for treasury board/Management Board of Cabinet between April 1, 2013, and June 11, 2013;

(2) medium- and long-term expense outlooks containing fiscal years 2015-16, 2016-17 and 2017-18;

(3) any documents dated 2013 containing consideration of user fees and/or revenue-generating fees, taxes or tolls; and

(4) all fiscal and economic update presentations and/or slide decks provided to cabinet.

Over the last few months, the Ministry of Finance has been working very hard to compile and deliver these documents to you. I fully acknowledge and respect the authority of the committee to compel the production of records relevant to its proceedings. This is a privilege of the assembly firmly established in our parliamentary conventions.

Early in the summer, we were able to deliver documents to the committee that relate to parts (1) and (4), outlined in my letter to the Chair at that time. Your request was for specific documents that were able to be searched for by title of the document. The committee now has those documents in their possession.

The other two requests are more complex and involved a more extensive search process. I'd like to make the committee aware that my ministry continues to work on the final two parts of the request. I've asked my ministry to finalize a search and review of the documents related to part (2) as quickly as possible. Given the scope of part (3), this will take a bit longer. But again, I am asking my officials to finalize the search and review as quickly as possible.

Given the documents that you have in your possession and those coming to you, I'd like a few minutes to quickly address them.

In order to assist the committee in its review of the records provided while at the same time recognizing the need to protect the confidentiality and commercially sensitive and privileged information and the rights of third parties, I'm providing both a sealed, unredacted set of the responsive records as well as a corresponding sealed set of the responsive records that have been redacted.

The records that have been provided to the committee and those which will be disclosed to you in the coming days have been sealed because I wanted an opportunity to speak to their contents. You now have more documents available to you than any previous finance minister has ever released. With that comes responsibility. In its determination of whether any documents provided under seal should be made public, I ask the committee to keep in mind not only my responsibility as minister to protect confidential commercial and other information that has come into the hands of the ministry, but also our collective duty as members of the Legislature to safeguard Ontario's public interest. I ask that you honour that trust.

Companies and organizations look to invest in Ontario because we have a stable and secure government. We cannot jeopardize future investments based on the province having a reputation of being reckless with confidential documents. That goes for all of us who have access to those materials. We don't want to turn away investment because we don't know how to handle third-party records that contain commercially sensitive information.

In addition, the records provided to you include the deliberations of cabinet and information protected by legal privilege. The disclosure of information of this nature is largely unprecedented. The integrity and confidentiality of cabinet privileged and commercially sensitive information is a core principle of government that has been recognized by all administrations in Ontario.

The documents also contain comprehensive conversations between officials and my staff and between officials and me. Those happen in a way that allows officials to offer the best advice possible with no expectation that those conversations or advice become public. This information is used to create our budget, our fall economic statement, quarterly reports and, of course, the public accounts. In order to do this, we seek the best advice from our officials—what we're seeing in this process from where we start to where we finish. When you disclose open two-way conversations, this has consequences for this and for all future governments. The documents you have contain many examples of worst-case risk analysis, a normal course of business no matter which party is in government. They are a snapshot in time and do not necessarily reflect government decisions. Based on many factors, including the analysis in these documents, our government makes decisions and puts forward a plan for Ontario.

The Vice-Chair (Mr. Taras Natyshak): One minute.

Hon. Charles Sousa: How one governs is to responsibly take all that information and produce a credible plan to the people of Ontario, and that's what we've done and will continue to do. I expect the same conduct and care to be used by all of us as we review these sensitive documents.

Thank you, Chair.

0930

The Vice-Chair (Mr. Taras Natyshak): Thank you very much, Minister.

I'll open the floor up to discussion on the minister's comments. Mr. Colle?

Mr. Mike Colle: Again, being a new member of this committee, I would like to get a briefing or have a quick presentation by the secretary of cabinet on this whole issue as it relates to government from a non-political perspective—because it has never been done before, I hear from the minister—and whether maybe it has been done before. It would certainly help me and other members of the committee to get a brief presentation by the secretary of the cabinet or somebody appropriate to comment on what the minister has said and what the request is—unless that has been done before and I can get a copy of that.

The Vice-Chair (Mr. Taras Natyshak): Are there any other comments? Ms. Fife?

Ms. Catherine Fife: Thank you, Chair. I agree with MPP Colle that there's a lot going on here and perhaps a precedent is being set. We've just struck a subcommittee to delve through some of the operational issues. I do think, in the interest of getting up to speed, that referring the issue of revealing the original intent of the motion to

the subcommittee for future discussion and other options that we've just started to discuss today is a good option. So I'd like to move that we refer the motion and the implications of this motion to the subcommittee for further discussion, to report back to the estimates at their earliest convenience.

The Vice-Chair (Mr. Taras Natyshak): For the benefit of other committee members, I would ask if we could briefly have that in writing. It's a little bit comprehensive—if we could just jot it down so members can see it. Or if members understand what the aim of the motion is—

Mr. Mike Colle: Just as long as it includes an opportunity to have one of these officials come to speak to the subcommittee or whatever it is—

Ms. Catherine Fife: In my mind, that's a separate issue. That's an issue of your information. Right now, there is a motion that we've been discussing. We waited for the minister to come. He has provided some input. The original discussion has to do with how we move forward around revealing certain documents and what the precedent is. We've just struck a subcommittee. Clearly, there's more to this than meets the eye. So I've moved that the motion and the intent of the motion be referred to the subcommittee for future discussion and that they report back to the committee and then we have a more fulsome discussion.

The Vice-Chair (Mr. Taras Natyshak): We have a motion on the table.

Ms. Catherine Fife: Yes, I've referred it to the subcommittee. It's up to them to—

The Vice-Chair (Mr. Taras Natyshak): Any debate on that motion?

Mr. Mike Colle: Mr. Chair, that's a motion that I certainly could support. It seems to be a very, very prudent way of proceeding.

The Vice-Chair (Mr. Taras Natyshak): Any other debate on the motion?

All in favour of the motion presented by Ms. Fife? All opposed? Okay, it's carried.

That gets that out of the way. Congratulations, committee members. I thought that was going to take a little bit longer. There is consensus.

Mr. Rob Leone: We really wanted you to break a tie, just like Mr. Prue. We were really waiting for that.

The Vice-Chair (Mr. Taras Natyshak): There may be some opportunity to do that at a later date.

MINISTRY OF FINANCE

The Vice-Chair (Mr. Taras Natyshak): We will continue with the normal function of this committee. When we did leave off before the summer recess, it was to the NDP, and they have 30 minutes remaining, so I will hand the floor over to Ms. Fife.

Ms. Catherine Fife: Thank you, Chair—although I will question whether there's anything normal about this committee. You just said that there's the normal function.

My questions are to the minister. Thank you very much for being here. I understand that your officials have revised the value of the HST RITCs from the original projection of \$1.3 billion on the full implementation. Can you tell me, in the present schedule, what is the revised value of the RITC by fiscal year, beginning in 2015, for four years?

Hon. Charles Sousa: I thank you for the question. As you know, we're always looking at what our projections will entail. I can express that, while we have exceeded targets dramatically, and while we have been able to control our spending effectively, we have challenges in our revenue growth in the out years. Notwithstanding some of the decline in revenues, as was anticipated, we have still been able to manage effectively, but I can ask the deputy to provide any updated information on HST and RST.

Mr. Steve Orsini: Great. Thank you, minister. When we originally estimated all of the different parameters to the HST, we had an estimate for restricted ITCs. To your question, every year, we've monitored take-up—either the point-of-sale exemptions or the amount of revenue collected from the restricted ITCs. Because this was a new provision—it exists in Quebec, but it was a new provision in Ontario—we didn't actually have actual data to work with, so the original estimate was just that: an estimate. We now have new estimates, and it's not \$1.3 billion, as originally estimated; it's more in the order of \$750 million.

Ms. Catherine Fife: In what fiscal year? I've asked for 2015, 2016—you have four projections.

Mr. Steve Orsini: We probably don't have that right at hand. I'm going to ask our officials to produce that information.

Ms. Catherine Fife: But you're saying that \$700 million is the projection for 2015—

Mr. Steve Orsini: Yes, \$750 million is our current estimate, based on information received from the Canada Revenue Agency, which actually is administering this on our behalf.

Ms. Catherine Fife: You're in the process of developing a formula to establish the estimates? How did you come to the \$750 million?

Mr. Steve Orsini: We used Statistics Canada data. As I mentioned earlier, Quebec has a similar provision that, under their agreement with the federal government, they are phasing out as well. We had estimated, based on the experience that Quebec had and based on what Statistics Canada data we had at the time. Now that the tax is in place, we're getting information on the actual amount collected. It's still an estimate because, as you may know, every year, companies might be reassessed going back four years.

Ms. Catherine Fife: Yes.

Mr. Steve Orsini: It's still our best estimate at this point: \$750 million a year.

Ms. Catherine Fife: Okay. Minister, can you tell me if the federal government has responded to your request

to delay the implementation of the RITCs? If so, what did they say?

Hon. Charles Sousa: As you know, we did write to the minister, requesting an extension of the exemption. That won't kick in, and it is graduated over a period of time, but they have indicated to us that they will not be making changes. In terms of a formal response from the Minister of Finance federally, I'll find out if I have that in hand, but I have been advised by the officials that they will not proceed in that format.

Notwithstanding that, we have still requested that the exemptions continue, but let's be clear: It's not a tax loophole, right? These are initiatives that are prevalent in all other provinces and jurisdictions as well, none of whom have had the exemption lifted, so the likelihood of Ontario receiving it is not there. Notwithstanding that, I will continue to pursue it.

More importantly, I have asked the federal government to work closely with Ontario around other matters of tax avoidance and the underground economy, things that we know can really facilitate and equal the playing field in Ontario. The restricted tax that you speak of is something that has been established with the implementation of HST and the creation of those jobs and government—

Ms. Catherine Fife: Okay. That said, though, \$750 million is still a lot of money. I know that your first correspondence with the federal government was on the eve of budget deliberations. There was one letter that you did share with our party, that you forwarded to the Minister of Finance at the federal level. We appreciated getting that correspondence, but that was some time ago, so I'm asking you: Have you written a formal request to the finance minister at the federal level and, if so, can we have access to that correspondence?

Hon. Charles Sousa: I have written formally to the minister. You have correspondence to that effect.

Ms. Catherine Fife: That's the only time—

Hon. Charles Sousa: I've had correspondence with the ministry. On August 13, I received a letter—and I have it with me now—from the minister, and if you wish, I could read it to you, but I can certainly share it—

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Ms. Catherine Fife: I think that providing the committee with written copies would be good.

Hon. Charles Sousa: Fair enough.

Ms. Catherine Fife: Thank you.

Hon. Charles Sousa: It talks about the other ongoing initiatives that we're doing around tax avoidance and improving the integrity of the tax system, and other methods and procedures that we're trying to do to achieve some of the revenue growth.

But, as mentioned, it's not a tax loophole. It's something that was clear from the outset. While we would like to maintain that exemption going forward, for a variety of reasons, we also want to ensure that we foster the confidence in the corporations to invest and build more jobs in Ontario.

There are other aspects that we've done, which was the employer health tax, where we in fact moved some of those provisions and gave the exemptions to smaller businesses and provided it for large corporations. So there are other things that we're doing to offset these initiatives—

Ms. Catherine Fife: Well, I'm actually going to move on to other things.

Hon. Charles Sousa:—for the benefit of the province as a whole.

Ms. Catherine Fife: Thank you very much, and I look forward to getting that correspondence. But just for clarification, August 13 is the response that you got from the federal government?

Hon. Charles Sousa: That's correct.

Ms. Catherine Fife: And since then, you've not written back to them?

Hon. Charles Sousa: No, but we've had ongoing discussions, right?

Ms. Catherine Fife: Can you tell me who you have had the discussions with?

Hon. Charles Sousa: I know our officials have had some correspondence and some discussions with the federal government, and certainly the deputy can mention that, and I can express to you what I have had in my discussions with Mr. Flaherty directly.

Ms. Catherine Fife: But it would be safe to say that those conversations have not been productive?

Mr. Steve Orsini: Maybe I can speak to that.

Hon. Charles Sousa: By all means.

Mr. Steve Orsini: As part of the HST agreement, it was a requirement by the federal government that the province had to end those restricted ITCs over a set time period. Not only is that a requirement for Ontario to get that transitional payment of \$4.3 billion as part of the agreement with the federal government, but Quebec is required to phase out its restricted ITCs, as well as Prince Edward Island, that also recently harmonized. It is a federal requirement.

Our discussions with the federal government have been on whether they're open to revisiting that decision, and they're being clear, unequivocal, from day one—

Ms. Catherine Fife: That they're not.

Mr. Steve Orsini:—that they're not.

Ms. Catherine Fife: Okay. Thank you. I'd like to move on to the OLG projections in the fiscal framework. In your 2012 budget, you estimated that the increase in OLG revenues from the modernization plan would ramp up to \$1.3 billion in additional provincial revenues by 2017-18. I assume you've revised this estimate. Can you please provide the revised estimates? Either one.

Hon. Charles Sousa: Actually, the OLG projections, we tapered down at that point. They were actually coming to us at a higher amount. We deliberately went further down. I mean, we're still on plan to do the modernization, do the transformation, to increase the revenue and the share overall.

Did you want to add to that?

Mr. Steve Orsini: Maybe just an additional point. The OLG is always updating their forecasts. One of the things they factored in their forecast was the municipal decisions. We couldn't predict with all certainty what municipalities would agree to a land-based gaming facility. But at the same time, there was prudence built in to ensure that if not every one happened, the revenue numbers would not be impacted to any material amount. We're still waiting to see all those decisions and how it plays out over time. Right now, based on what we know today, we're pretty well on track to what was built in the fiscal plan.

Ms. Catherine Fife: Okay. So you can't, at this time, itemize the changes line by line, based on municipal response to new casinos.

Mr. Steve Orsini: That is an ongoing—

Hon. Charles Sousa: Yes. I mean, it's ongoing at all times. But just to be clear, when we did the projections in the budget, we already tempered the OLG's proposed amount prior to the decisions being made by the municipalities. So we took a more prudent approach.

Ms. Catherine Fife: Do you have any understanding of what the change in potential revenue will be around the online gambling? Are you tracking that at all? Are you asking OLG to track that at all?

Hon. Charles Sousa: Do you want to respond? Because we are doing that.

Mr. Steve Orsini: The OLG is tracking a number of different line items, in terms of iGaming, which they're en route to implement. They do have estimates on that. I don't know offhand what they are, but I'm sure it's something we could provide.

Hon. Charles Sousa: It's early to tell, because we've just initiated those initiatives, right? So it's new territory for OLG and for the province.

Ms. Catherine Fife: Okay. A related but different question: Can you tell me what additional costs there were to OLG related to the termination of former Chair Paul Godfrey?

Hon. Charles Sousa: He had a remaining tenure on the board, and beyond that, there was no additional cost for—

Mr. Steve Orsini: Not that we're aware of, but we can follow up.

Ms. Catherine Fife: So you have no figure? You don't know what the figure is?

Hon. Charles Sousa: Oh, no, we do, and we will provide it for you. We don't know off the top of our heads.

Mr. Steve Orsini: I don't know if there was any follow-up cost, but we could follow up.

Ms. Catherine Fife: Okay.

Hon. Charles Sousa: In my discussions with him, there was nothing like that.

Ms. Catherine Fife: Okay.

With regard to privatizing ServiceOntario, can you provide us with a breakdown of the fiscal impact of privatizing ServiceOntario in 2015-16, 2016-17 and 2017-18, those three years?

Mr. Steve Orsini: For ServiceOntario, there was no—I'm going to check with my officials, but I don't think any fiscal savings was built in for ServiceOntario. It was part of a transformation. A lot of these things, in terms of engagement with alternative ways to deliver those services, weren't fully defined and fully estimated, so they weren't built into the fiscal plan in any way.

Ms. Catherine Fife: So you don't have a breakdown of what financial impact privatizing ServiceOntario will have?

Hon. Charles Sousa: In terms of all the transformational recommendations made by Drummond and a few others, there are a number of savings that were outlined by doing so. We have acted on a few, not all of course, but we recognize the benefits of trying to improve service delivery through our public service network while at the same time maintaining the quality of that service.

I will determine, Catherine, what, if any, we have that we can share with you.

Ms. Catherine Fife: Thank you.

Regarding other non-tax revenue sources, can you provide a list of approved new non-tax revenue sources that are built into the fiscal framework, other than the privatization of ServiceOntario and the OLG modernization? And please provide revenue projections and implementation schedules for each item.

Hon. Charles Sousa: There are a number of items that are shared with you in those packages. Some are just analysis, some of it is options, but the decisions that ultimately have been made are outlined in the budget as we go forward. So those are things that we've made public.

There are some other initiatives that were spoken about during question period in the House. Those things have not occurred, but I can certainly provide you with the outline and the breakdown of any of the others.

Ms. Catherine Fife: Okay. Thank you.

Hon. Charles Sousa: But you do have some of them. They were shared.

Ms. Catherine Fife: Some of them are in there.

This is sort of an off-the-cuff question, but I think the committee would be interested in learning if you are considering any new non-tax revenue sources that are not yet built into the fiscal framework. Would you like to share any—

Hon. Charles Sousa: In the budget, we dedicated a whole section around the transformational change, the Drummond recommendations. Of that, over 60% of those initiatives are now under way, and some of them include non-tax revenue tools and initiatives. So we're looking at and reviewing our current state of tax credits; we're looking at a few others as it relates to ServiceOntario opportunities. But for the most part, it's what's outlined in the budget.

Ms. Catherine Fife: Okay. Around clean energy and the Clean Energy Benefit, can you provide us with a breakdown of the fiscal impact of ending the Clean Energy Benefit, potentially beginning in 2015-16? Any general comments about that?

Mr. Steve Orsini: I don't have those numbers available to me, but that, with your permission, is something we can follow up on.

Ms. Catherine Fife: Thank you.

Around bank capital tax, can you provide us with two sets of figures: a breakdown of the fiscal impact of restoring the capital tax on financial institutions to the rate that existed in 2004, and then also the rate that existed in 2009—so a comparator for the years beginning in 2013-14 for five years moving forward?

Hon. Charles Sousa: Certainly we'll get that to you, but let's be clear: The accelerated capital tax allowance, the surtax on capital tax—all of those were initiatives to incite greater investments into the province, and as a result of that, Ontario has become the second-largest jurisdiction in North America to attract those investments as it relates to some of these initiatives. It's also in keeping with some of the things that we're doing with the federal government in attracting those investments to Ontario. But we'll get it to you, and we'll certainly share that information.

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Ms. Catherine Fife: I think that in these times, it's also worth considering all financial options, so that's why we're asking these questions.

Hon. Charles Sousa: And I appreciate them, because we are looking at them. But I think that the deputy may respond—

Mr. Steve Orsini: I think it's in the earlier budgets, but we can share that. As part of all the tax changes—harmonization, corporate income tax reduction and capital tax—when you look at the changes by sector, financial services, because they don't have input tax credits, they pay sales tax on virtually all their inputs. That was a sizable cost for financial services.

I just want clarity on the question, because that increased their tax burden significantly; reducing the capital tax and corporate income tax moderated that. When you're looking at just the capital tax, you're not looking at the other adjustments that were made on the sector—

Ms. Catherine Fife: This question and this data that we're asking is specific to the capital tax.

Mr. Steve Orsini: Okay.

Ms. Catherine Fife: Can I just check on time?

The Vice-Chair (Mr. Taras Natyshak): You have roughly 13 minutes left.

Ms. Catherine Fife: Okay, thanks.

Around tax-related revenue sources, I have three questions on this issue. Can you provide us with a breakdown of the fiscal impact of ending higher-income PIT bracket of 13.16 as planned, beginning in 2017-18?

Hon. Charles Sousa: There are some sensitive analyses that have been made to determine what avenues and tools and alternatives are available to us to increase revenue. Be it increasing taxes, be it the elimination of some of the accelerated capital tax allowance or capital tax, a lot of those things have been identified.

We can stay here all day and find ways to increase revenue tools. Ultimately, the decision made by us and by government is: Which one of these will facilitate greater investment and greater job creation and, in essence, greater GDP growth and economic growth for the province, taking a balanced approach in the things we do?

Catherine, we can identify all the ways we can increase revenue and how we can tax the people of Ontario and the businesses of Ontario. I can do that all day. We can give you analysis by a 1% increase; it could be another billion dollars.

This is what I'm telling you: We have a shared responsibility. All of you are going to have information available to you that's unprecedented. You're going to see a lot of analysis and a lot of alternatives by which we can increase taxes, by which we can cut spending. What we need to do is make that decision so that we can facilitate those services while at the same time encouraging those investments. It's a balanced approach that I'm getting to. I'll give you this information.

Ms. Catherine Fife: That's good.

Hon. Charles Sousa: But what you're going to get is alternatives, and then you have some of that, because some of that has already been shared with this committee, and it's in those boxes.

Ms. Catherine Fife: I absolutely agree with you. I think that information—

Hon. Charles Sousa: I agree.

Ms. Catherine Fife: That's why we're asking for this information: to inform public policy, so that we can actually all be part of the solution.

I think that we're asking for this information because the corporate tax breaks that people have received in the province of Ontario have not generated jobs. It has not generated the revenue that you expected. We are asking for other options so that we can actually put forward progressive ideas, as well, on the economy. It's about re-prioritizing how we spend tax dollars.

Hon. Charles Sousa: Absolutely. This is all about prioritizing those decisions. There's a number of choices, and there's a number of challenges before us, and that's outlined as well.

Let's be clear: 180% of those jobs lost have come back to the province. We have 477,000 net new jobs since the recession, and we've been able to do that with some challenging revenue issues while, at the same time, we've been able to control our spending at less than 1%, year over year, for the last two years.

It's not about taking excessive austerity measures or excessive cuts, because that too would hamper our sensitive recovery.

Ms. Catherine Fife: Well, we know that it doesn't work, so we shouldn't be talking austerity—

Hon. Charles Sousa: But we also are cognizant that we can't—and these are the choices we make: To what extent do we increase taxes or increase those revenue tools, which would then hamper some of that growth as well?

It's the balance between the excessive cuts or excessive tax—and excessive spending, for that matter. We've got to make certain that it's stimulus and that it creates that right amount to create those jobs.

I appreciate the questions, and I'll give you the alternatives. You'll have them, and you have them in these boxes already.

Ms. Catherine Fife: I think we're in agreement, though, that a course correction is needed, and to that end—and on tax-related revenue services as well—can you provide us with a breakdown of the fiscal impact of reducing the general corporate income tax to 10% from 11.5%, as planned in your 2017-18 projections moving forward for four years?

Hon. Charles Sousa: Yes, we'll provide you with that information, but also note that we did not make the cut as planned. We maintain it at 11.5%.

Ms. Catherine Fife: Yes. Can you provide us with a breakdown of the fiscal impact of resuming the reduction in the business education tax, as planned, in 2017-18 and 2018-19?

Hon. Charles Sousa: Certainly.

Ms. Catherine Fife: Thank you very much. Those are all the technical questions I have. I want to thank you very much for your time and for the discussion, and I look forward to actually getting the information on behalf of the committee and New Democrats.

Thank you, Chair.

The Vice-Chair (Mr. Taras Natyshak): Thank you. We move to the Liberal members. Mr. Del Duca.

Mr. Steven Del Duca: Thanks very much, Mr. Chair. Good morning, Minister. It's good to see you here this morning.

I want to start off, because the tail end of the questioning from the member from Kitchener was—a lot of the discussion was in relation to jobs, and I think that's a good place for us to start. I know you referenced some numbers in one of the answers to your questions a second ago, but I'm wondering if you could give the committee a general sense from your perspective about how Ontario's economy has fared since the depths of the recent recession?

Hon. Charles Sousa: When we compare Ontario to other parts of the world, we recognize that there are challenges facing all jurisdictions. Ontario was hit hard, hit fast and prior to any other province in Canada. What we did is, we took bold steps like transforming our tax system, the introduction of HST, and a number of other initiatives to try to incite greater stability and greater certainty in terms of how to do business in Ontario. As a result of some of these initiatives—one of the biggest ones was stimulus that we put into the system through infrastructure and through a number of programs to incite and protect those jobs in the province.

As a result of the combination of attracting business investment and promoting business growth through our stimulus, we've, as a province, put in place parameters—and that's not about creating more government here. It was all about creating more opportunity, recognizing that

it's businesses, small businesses especially, who create those jobs. So the decision we then have to come to is, what do we do to make that happen?

As a result, Ontario became the second-largest jurisdiction in North America for net business investment. We have, as I mentioned, 180% of those jobs that were lost during the lows of the recession compared to what has been 40% and 50% in other parts of the world. We're outpacing the UK. We're certainly outpacing the United States, and we recognize that even those emerging markets in South America and Asia are not growing as fast.

Consequently, when Ontario is faced with the predicament of losing its trade, its buyer—the United States wasn't buying to the extent that it had. When you look at the parity of the Canadian dollar at that time, it made us less competitive as it once was before, and the cost inputs of increasing oil prices made it even more difficult for our manufacturing sector and others to compete.

Recognizing those major challenges before us, the province took a huge step to partner and foster as best we could to protect the integrity of the province's finances—more importantly, maintain a stability of our fundamentals. Ontario's fundamentals are very good. In fact, we have positioned ourselves in such a way as to provide some integrity—the judicial system, certainly our public education and our universal health care are another major attraction for these investments to come to the province.

So when we look at these initiatives and we look at how Ontario has fared, we're able to make some competitive decisions, keeping in mind that what we're doing is, what is the dividend of the initiatives that we're putting forward? By investing in infrastructure, we're not spending for the sake of operating; we're investing for the sake of providing a return in the long term. As a result, we've done that.

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Now, the notion of the degree of debt that has accumulated as a result of some of these initiatives becomes the question. We don't want to pass the burden of debt on to future generations. What we want is to ensure that we can afford the level of debt that's afforded to us. As a result, we put in our budget—and the Premier has it in her throne speech—a net-debt-to-GDP ratio of 27%. Ontario, over this period of time, recognized that net debt to the GDP would go up but not to the extent and the alarm that has happened in other parts of the world. We want to make certain that it's controlled in terms of how we get to it. As a result, we've put in a ratio, or a target, of 27%. We're hovering just under 39% or 38% at this point. In our budget, we made it clear as to what extent and what that would entail.

I'm happy to the extent that the people of Ontario and the businesses have, in fact, maintained the degree of activity that's surpassing other parts of the world. There's still untapped potential in the province of Ontario, certainly in northern regions, that we want to take advantage of, like the Ring of Fire, mining, forestry and other things that we need to leverage and to expand upon.

We also have new-age manufacturing before us, and we're attracting some pretty exciting proponents to the province. Again, I say to you that you have material with you that's extremely sensitive, commercially, around these issues. But it bodes well and it speaks well to the activities that the province has been doing.

In our budget, we put forward a six-point plan to talk about how we're going to initiate some of this growth. It includes, in the budget, areas around supporting our youth, who we recognize are critical to the success of Ontario in the long term. When we look at youth unemployment in other parts of the world, at 35% and 40%—that's a chronic issue. We need to ensure we employ our young people as quickly as possible and give them the skills necessary to compete. A \$295-million fund was included this time around to ensure that we establish over 30,000 youth jobs—and these are graduates into the workforce—to gain their respective skills, to fill the sector gaps that exist in Ontario.

We have a number of sectors and industries that are crying for certain types of skills, and they're not being met extensively in Ontario. We are working with Immigration Canada to try to foster even more economic immigrants and investor immigrants to Ontario to fill some of those gaps, and find and train the people of Ontario, to prepare for that sector.

We also have the infrastructure program. We have \$35 billion targeted for the next three years to support infrastructure throughout the province—again, another means by which to increase our competitiveness.

Just in the southern corridor of Ontario, over \$6 billion is expensed or costed for gridlock, so we know that it's an economic imperative. In fact, there should be a national strategy by which to facilitate these investments to reduce the gridlock and ensure that we increase the competitiveness of some of these companies that are coming to Canada and to Ontario.

We also provided a \$100-million roads and bridges fund for rural communities and northern communities to also have sustainable funding to support their transit and infrastructure needs.

As part of the plan—and I refer to you a number of initiatives here—we have also put in place a competitive tax regime. We've had a number of questions around our tax system, and at what point are our taxes too low or too high? What's important is to continue to foster that investment and attract businesses to operate in Ontario. When you compare Ontario, with all the tax systems we have in this place—compared to other OECD countries and so forth, we are one of the lowest. So we recognize that we are competitive now.

To what extent do we need to cut more? In these challenging times, we've decided not to. We've decided to maintain our corporate taxes at the levels they're at. We're looking now at other forms of tax credits and so forth, and we're having a review done by a panel to ensure that we maximize the level of revenue for the province while, at the same time, maintaining a competitive environment for those businesses.

The other aspect of our six-point plan includes—if I can just refer you to the page in our budget. As you know, the budget does talk about growing the economy and the prosperity agenda. It also talks about being fair, and that fairness component is essential to us, in that we want to ensure that all people are at their best, especially those most vulnerable—and enabling everyone to have employment.

The other piece is around our skills initiatives and our investments to promote those skills. We are going to continue to invest in skills. It's very refreshing and sobering to recognize that the people I speak to—and I've had over 600,000 submissions in helping us prepare this budget—in the recent round of consultations that I've had, the people of Ontario are not asking, "How much money can I get?" What they're asking is, "What do we need to do to ensure that we secure these jobs and promote more job growth?" So it's not so much that they're looking for us to fund their respective programs inasmuch as they're looking at supporting the communities and supporting the investments to then create those jobs.

One of the points in our six-point plan is around community engagement. That's where we come out with the economic development funds to secure those investments and to attract those initiatives.

Of course, we have maintained a very disciplined and determined initiative around tackling and eliminating our deficit on a timely basis. We know that the markets are looking at Ontario very closely. Agencies have reviewed the projections that we brought forward with a fine-tooth comb, and we've been surpassing those targets because of the initiatives and the disciplined approach that we've taken, even with the revenue challenges that we've been having. We are proceeding with a very pragmatic and prudent approach to ensure that the deficit is reduced on a timely basis without impacting negatively on the well-being of the province. It is essential that we provide that level of confidence and security, knowing that we are on track and that we're committed to stay on track to eliminate the deficit by 2017-18.

In the budget, we highlighted that we've reduced our deficit by over \$5 billion. We have enabled recent one-time negotiations with labour markets around pensions. That has saved us \$1.2 billion, \$1.4 billion. If you look on page 129, it talks about the difference between projected pension expense versus commissions in the public service forecast, and in it, we've continued to surpass, and over \$1.1 billion over that period of time has been saved.

All of this is done by way of co-operation. This is why I'm saying when I've had consultations around the province, there is a sense of concern to co-operate with government. Government has a big impact on how things are assessed and done in the market, but the real impact comes from businesses and corporations. The budget is also, to some extent, a call to arms to businesses to ensure that we foster more of that investment.

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In the budget, we talk a little bit about the productivity gap that exists. Canada, Ontario—our productivity gap is still widening when we compare it to the United States and other parts of the world, so we need to be more competitive. We need to invest more in manufacturing equipment, and we need to invest more in R&D. We need to invest more in those initiatives. That's going to make us competitive.

I can say that even in the agricultural markets, they get it. Even the smaller farms are competing much more effectively than they have in the past. When you look at some of the big farms that are out there, the technology—the new farmer, the young men and women who are going to Guelph, the people they're looking for in the farming community are people who have some technical expertise. They're looking at those who can deal with satellite images and so forth in order to prosper and initiate smarter decisions in the way farming is done. That enables small farms to compete effectively in Ontario when you're competing against the large ones in the United States and elsewhere.

Even when you look at those initiatives and all those investments that we're making, it is Ontario that has also been working closely with the municipalities by way of uploading some of their services and costs. Even with all the challenges that have occurred, the Ontario government has still worked closely with the municipalities to upload their services and enable more relief for them, because we're all being affected by this. The taxpayer is a shared taxpayer among the three levels and three orders of government.

It's not so much about what's in it for the province of Ontario as I look at our budget alone; we have to collectively look at what is in the best interests of the families of Ontario. If we look at that as that priority by which to gauge the things that we're doing, then we can have, I believe, greater success in moving forward, instead of, who has to collect and who has to pay. In other words, for us to balance our books on the backs of the municipalities isn't going to improve the livelihood of those Ontario families.

In the work I'm doing with the federal government in transfer payments and enabling them to support the very important initiatives in the province of Ontario, it's not about Ontario looking for a handout; it's about Ontario wanting to invest the monies that Ontario is already putting out into the federation. Close to \$20 billion comes out of Ontario to other parts of Canada. We want to be able to also invest in Ontario because of the priority initiatives that we have here. Those are the kinds of discussions I'm having with the federal government.

All this to say, in consultations and in discussions I've had with some of the rating agencies themselves, with the investors that we have tried to attract into the province even when we're trying to sell some Ontario bonds, we have become very attractive and diverse in terms of the investments that are coming to this province. I recognize that we have challenges still, and we're not going to rest

until we have not only eliminated and tackled the deficit, but that we continue to have a plan that builds on the initiatives that we've already established for the benefit of all Ontarians.

I recognize this has been a long response, but it's all about trying to position and give appreciation to what it is that the government is doing and also to reflect very hard on what it is that's been provided to this committee, so that you recognize that there's a lot of material and there's a lot of things that are brought forward, and we then have to take prudent, responsible initiatives to mitigate some of those risks that are presented to us and act accordingly. By way of the actions we've taken, we believe it's been a very balanced approach, and we're going to continue building on that.

Mr. Steven Del Duca: Thank you, Minister, for that very thoughtful and comprehensive answer.

Chair, I'm going to turn it over to my colleague the member from Mississauga–Brampton South for the next question.

Mrs. Amrit Mangat: Thank you, Chair. Minister, my question is with regard to auto insurance rates. Auto insurance rates are high in the greater Toronto area and region of Peel, and we know cars are no longer a luxury; they're a necessity. We need to drive to get to work, to pick up our kids, to do groceries—and it's a pocketbook issue. This has been an issue in my riding for many years, and I'm sure it's in your riding as well. So my question is, what are you doing to reduce auto insurance rates?

Hon. Charles Sousa: Thank you for the question. I appreciate your leadership on this, having also provided a private member's bill on finding ways to reduce auto insurance almost two years or so ago.

I know that it is a consumer issue. We are trying to protect the interests of the consumer and pass on the savings that we've been able to achieve through our anti-fraud task force in recognizing that the premiums of auto insurance are a reflection of the cost of claims. In Ontario, those costs are almost 10 times more than they are in other parts of Canada. For the last two to three years, we've been addressing and finding ways to combat those costs.

More recently, during the budget and in co-operation with the third party, we have taken again another piece of legislation to control and to provide FSCO, the Financial Services Commission of Ontario, with more authority in compelling those insurance companies to reduce their premiums, based on the cost reduction that we've been able to achieve. This also builds on a piece of legislation that we brought forward in 2004 around controlling insurance premiums. As a result, we have established a commitment to reduce those premiums by 15% over two years, with a target of reducing them by 8% in this year.

The Superintendent of Financial Services now has the authority, as I mentioned, to require those insurance companies to file for rates and offer even greater reductions to safe drivers. We've expanded the focus of the superintendent for investigation, for enforcement authority, and particularly around fraud prevention. We recog-

notice also that FSCO is there as an authority to license and oversee business practices, but we need them to oversee the health clinics and the practitioners as well, when they invoice auto insurers.

The bottom line is the budget went on at great length about transforming the current way we do business. In the piece of legislation that I put forward in a policy statement, it talks about dispute resolution systems. We've appointed an expert review panel to look at the legislative amendments. We've appointed a judge to maintain that work. We must always continue to look at ways to reduce those costs of claims.

I'm pleased to say, though, that two major insurance companies have now come forward, and they have publicly stated—they put forward releases—that they are reducing their rates. That, again, speaks to the initiatives that we brought out.

We have a number of dispute mechanisms for consumers. This is all about protecting consumers in this field.

I myself shopped around. Just by shopping around, you're able to find competitive rates. We have over a hundred companies in this space, competing in Ontario. I'm pleased to say that just by asking competing companies, I've already achieved more than 15% in rate reductions on the very policies that I have. So it's possible, and companies are prepared to compete.

We want to make certain that we stabilize the industry, recognizing that the anti-fraud task force submission be adopted and enabled. There are other issues.

We'll be appointing a watchdog so that if certain rate reductions aren't met on a timely basis or in an effective manner, then we'll take extra steps. The extra steps are outlined in the policy statement as well, around health clinics, around tow trucks, around catastrophic definitions.

These are things that are afforded, but we know, in working with the underlying costs of these claims, that savings are there. We are encouraging those savings to be passed on to the consumers. FSCO is going to be compelling the companies to do so in a timely and a quick manner.

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Mrs. Amrit Mangat: Minister, can you state the names of those two companies that have come forward that will reduce the rates?

Hon. Charles Sousa: I can share them with you.

Mrs. Amrit Mangat: Okay.

Hon. Charles Sousa: I don't want to mistake it, but I believe it's CAA and Co-operators.

Mrs. Amrit Mangat: Thank you. And what are we doing to prevent fraud?

Hon. Charles Sousa: Well, as I mentioned, we've identified them. We've worked with the police on certain aspects. We're working with the insurance companies, and we're giving FSCO more teeth, more strength to provide enforcement.

Mrs. Amrit Mangat: Okay. Thank you.

Mr. Mike Colle: How much time?

The Vice-Chair (Mr. Taras Natyshak): Mr. Colle, you have five minutes.

Mr. Mike Colle: Minister, you mentioned the productivity gap that exists between Ontario and, I guess, some US jurisdictions. You referred very briefly to how we can rectify that or what steps can be taken to reduce the productivity gap. Does it make us—obviously—less competitive? Does it cost us jobs? Can we, maybe, create jobs by reducing the productivity gap?

Hon. Charles Sousa: Yes. I appreciate that. In fact, you should know that one of the individuals who supported us in the preparation of this budget, especially around this very issue, was David Dodge, the previous governor to the Bank of Canada. We implemented and talked about some of the challenges that we face globally and Ontario's lag behind the US in productivity.

There was a chapter dedicated to this. In it we see that we've identified that gap, so now, to your question, what steps do we take to improve it? One of the recognitions that we see is Ontario falls dramatically when it comes to investing in R&D, well below the United States. Ontario investment into machinery and equipment and other modern manufacturing practices falls and is lower than in the United States. Just those two items impact greatly on the ability to be more productive in Canada, in Ontario versus these other jurisdictions. So it begs the question: What can we as a province do to try to facilitate that?

We know that access to capital for some of these big businesses and, for that matter, even some small businesses, is there because there's a great degree of working capital accounts that are measured and are available to the companies. So they have access to capital to facilitate their working capital accounts, that being inventory and receivables. They also have capital access to machinery and equipment because those are investments that will enable them to be more productive. Financial institutions in the province welcome those opportunities because they're making that available.

What's lagging is the desire of some of these companies to make those investments. In our consultations, in our round tables, in our deliberations with some of these companies, with the chambers of commerce and others, we're working very closely now to foster and stimulate those investments. One of the ways we've done that—and earlier a question was asked about the capital cost elimination—well, those are some of the allowances that enabled those companies to make those investments.

The other one is our introduction of the accelerated capital cost allowance. In essence, it enables those companies to write off more quickly the depreciation on those assets that they buy, to enable them to expense it more quickly and, at the same time, foster the investment to them, so it lowers their overall tax burden on those investments.

Mr. Mike Colle: I want to just sort of clear my mind. Again, what makes an American company invest in more R&D and buy more updated equipment? Is it those writeoffs that they have with their equipment in the States, and why wouldn't a Canadian entrepreneur do the

same thing? What's the block there? Is it that there aren't enough capital cost allowance writeoffs or that it's not accelerated enough? Because if I owned a company, I'd want to be as productive as I can, right? I'd want to be very competitive. So what stops the Ontario smaller manufacturer from basically updating their equipment? What's the block?

The Vice-Chair (Mr. Taras Natyshak): Minister, you have 45 seconds to answer that simple question.

Hon. Charles Sousa: Well, there are a number of jurisdictions that we compare ourselves to; not just the United States, but also Europe, who are subsidizing more greatly some of these investments. But I'll ask the deputy to give a quick answer.

Mr. Steve Orsini: Just very quickly, in the interest of time: That's a very good question. There's not a single reason why. What we do know is that Deloitte and Touche did a recent study that looked at businesses making those types of investments, and they found that about a third are not even aware that they're not making the right investments to compete globally.

We have great companies that do invest and excel, but it's not uniform across the system. The government is reaching out to businesses to find out those reasons why and to work with the business community to address them.

The Vice-Chair (Mr. Taras Natyshak): Thank you very much, Mr. Orsini. Thank you to the Liberal members and all members of the committee.

Ms. Fife, you have a question?

Ms. Catherine Fife: Just a question of clarification. The NDP asked for a lot of data and information today, and because I normally don't sit on this committee but I'm very interested in the answers, I'd like to know, through you to the minister and staff, what is the expected time to actually have access to some of the data that we specifically asked for?

The Vice-Chair (Mr. Taras Natyshak): I'll answer: I'm sure as expediently as possible. We will be working with the minister to get that information back to the committee.

I'll make members aware, just before you leave, that we will recess until 3:45. We may or may not change rooms; that's being worked out.

That is it. Next will be the PCs for 20-minute rotations. We will adjourn until 3:45. Thanks.

The committee recessed from 1026 to 1548.

The Vice-Chair (Mr. Taras Natyshak): Welcome back, committee members. When we adjourned this morning, the Liberals had finished their questions, and now we turn to the PC caucus.

Mr. Mike Colle: On a point of order, Mr. Chairman.

The Vice-Chair (Mr. Taras Natyshak): Go ahead, Mr. Colle.

Mr. Mike Colle: I just had some information I wanted from research, and there's no rush on this. Could you, if possible, find out what the net debt to GDP is for the OECD countries; secondly, youth employment or unemployment rates in these same countries and in other

Canadian provinces; and one third thing is the funding percentages in transit, public transportation probably, in these OECD countries as it relates to municipal portions, provincial portions and federal portions in funding of mass transit projects?

Ms. Anne Marzalik: Okay.

Mr. Mike Colle: Okay? Thank you.

The Vice-Chair (Mr. Taras Natyshak): Thank you, Mr. Colle.

We'll move to the PC caucus for a 20-minute rotation. Mr. Leone?

Mr. Rob Leone: Thank you, Mr. Chair. Minister, welcome back to committee in a different setting. I notice there's a little bit of natural light that will make everyone a little bit happier.

Minister, I know that when we did the request of documents earlier, and you spoke to that a little bit earlier this morning, one of the items that we were looking for were the medium- and long-term expense outlooks containing the fiscal years 2015-16, 2016-17 and 2017-18. Now, the budget that you tabled earlier in the spring didn't have numbers associated with those out years. Do you have any information to give us or provide us as to why that is the case?

Hon. Charles Sousa: As I explained earlier today we are compiling the information as required. We'll be getting all of that to you, particularly those items that you've identified, but I'll ask the deputy to interject.

Mr. Steve Orsini: I think, as mentioned earlier in the summer before the motion, the budget typically structures the current year plus two. The reason why that level of detail is not in the budget is because those were beyond the budget plus two. So the motion actually speaks to those three years—2015-16, 2016-17 and 2017-18—and that's what we're endeavouring to pull together, as the committee requested. We'll be bringing that material forward.

Mr. Rob Leone: So some of the information we've been able to acquire over the last little while suggests that while the government has been able to report—and I noticed that you issued the public accounts for this year—lower-than-forecast deficits, it's suggested that the actions required to meet fiscal targets in the out years will need to significantly increase and not decrease. Can you comment on that?

Hon. Charles Sousa: You're right. We tabled the public accounts. That's audited by the Auditor General. It's unqualified, so it was a clean audit recognizing that not only did we achieve the results that we said we would, we exceeded them, particularly as it relates to the deficit target, which was actually \$9.2 billion as opposed to what was initially thought, at \$9.8 billion.

Of course, you may know that over that period of time we actually reduced the budget. It originally forecasted at this time \$14.8 billion, then we revised to \$11.9 billion and then \$9.8 billion. Of course, the achievement was \$9.2 billion.

More importantly, in public accounts it was acknowledged that the measures we've taken to control spending

weren't just around controlling spending but actually reducing spending, and it's something that hasn't happened in over a decade, at 0.1%. Total spending was reduced and actual program spending was reduced by 0.4%.

All in all, that enabled us to achieve progress—albeit some of them as one-time benefits through negotiations that were achieved, because at the same time revenues were also below what we had anticipated this time last year. But all in all, our net-debt-to-GDP ratio was also improved from—what was anticipated at being 39.5% was reduced to 37.4%. In all circumstances, greater jobs were afforded throughout this process at 477,000 net new jobs.

Mr. Rob Leone: Minister, what about the out years, though? It has been said that in order to balance the budget by 2017-18, your plan assumes that program spending for each Ontarian will be reduced by about \$1,000 per capita, or 12% in real, per capita terms, which is basically back to what it was in 2006-07, before the onset of the global recession. I don't hear a lot of talk from you or the government in terms of what's going to happen. Those are significant spending reductions that have to take place, but we have no discussion from the government in terms of what that will look like.

Hon. Charles Sousa: But in fact you do, because we've just illustrated to you through our public accounts that spending can be reduced and we've achieved just that. That's because we've been disciplined and determined.

In terms of our ability to control and monitor the degree at which we are spending, in fact a number of our ministries have reduced their overall spending. Now, health and education are the two areas where we're still fostering greater investment just because of the demands of the sectors. But in all, we have been able to establish substantive savings for the taxpayers primarily around pensions. That in itself, a \$6.5-billion reduction in 2017-18, is what I anticipated going forward.

Mr. Rob Leone: But how does that get you to 12%? I'm struggling to understand how you're ever going to balance your budget without actually outlining the steps you're going to take to get there. Obviously, you've committed to balancing your budget by 2017-18. I know that folks ask for the confidence that the government will actually achieve those objectives, and without outlining what those steps are going to be to get that spending under control to a level that is significant—I mean, this is going back to 2006-07 budgetary levels. It is a significant change in direction, and we haven't heard anything from the government on how they're going to get there. So how do we believe that you're actually going to do it?

Hon. Charles Sousa: But, Mr. Leone, we have been expressing that to the Legislature and to the public year over year through our budget forecasts and our submissions. In fact, one chapter in this budget is dedicated to the transformational changes as recommended by Don Drummond and his group. Over 60% of those initiatives are being adopted and are having results.

Mr. Rob Leone: What about the other 40%?

Hon. Charles Sousa: We've differed, obviously. You and a number of others would prefer full-day kindergarten to be cut and possibly the elimination of certain front-line staff from nursing and hospitals, but we chose not to do that. We find it's necessary to invest in those initiatives because that is what determines, I believe, a fair and more competitive society overall. We want everybody to be at their best.

But there are certain transformational changes that we can do in terms of delivering service and looking at some of our cost inputs. We've adopted those, through the Drummond report, and they're outlined in our budget. Those are the things that have enabled us to cut spending, which, as I said, has never happened in over a decade. No other government in Canada has been able to achieve that, and yet we have.

So the point you're making is, how credible is it that we're able to achieve those results? Well, we've just shown you that we can achieve them, that we have achieved them and that we're surpassing those targets.

It's also important to note that we are being very prudent in our targets to reduce and eliminate the deficit by 2017-18. Some others, in other jurisdictions, are calling for much more aggressive measures, and yet they have not been able to achieve them. We have, in fact, been doing it in a prudent and, I think, fair and balanced way.

Mr. Rob Leone: All right. I still don't really get an understanding of how you're going to balance the budget by 2017-18 by not outlining some of the steps you're going to take. Certainly, you say you've adopted 60% of what Don Drummond said. You're not going to adopt 40%, apparently, because of whatever reason that's going to be. That gives us no confidence that you're actually going to do what you say you're going to do without expressing, step by step—not even step by step but in broad details exactly how you're going to get there.

True or false: Ontario remains the largest borrower among all sub-sovereign governments globally?

Hon. Charles Sousa: Just in response to your preface, we are reviewing every recommendation made by Drummond and we are taking the steps to address all of them. We have chosen not to adopt some of them, and yet there are some expenses and some transformational changes that are being adopted that you, yourself, have said, "We should adopt them all," and now that itself is being questioned as well.

We recognize that we have to make some tough choices. As I said initially, you have before you a lot of information and a lot of identified risks that we must mitigate in order to achieve, control and eliminate that deficit in a timely way. The steps that we're taking and the plan that we've adopted are outlined very clearly in our budget. There's a six-point plan to improve and grow our economy and improve GDP. That GDP growth will be a determination and a very important factor in the elimination of our deficit, as well as the spending constraints that we have adopted and that we're doing. Those are identified and those are being addressed.

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We've targeted a 27% net-debt-to-GDP ratio in the years to come. We're monitoring the degree at which debt is growing. But debt is growing as a result of the investments we're making in capital expenditure and in infrastructure especially. We've done that strategically and deliberately, and that has added to our net debt. Certainly the accumulation of certain deficits is a part of that, but more important are the investments that we're making in capital for the benefit of our future.

Mr. Rob Leone: So is or is not Ontario the largest borrower among all sub-sovereign governments, globally?

Hon. Charles Sousa: Ontario has become one of the most attractive jurisdictions around the world for investment. When I was mentioning and talking about and promoting Ontario to other investors, the idea of investing in Ontario through its degrees of bonds and initiatives—we have become a magnet for many investors. We are rated AA. We have a strong, sustainable economy and we have strong fundamentals. The ability to afford debt is a measurement by which the agencies and investors are looking at how Ontario proceeds, and I believe our debt now is about \$240 billion.

Mr. Rob Leone: I'll ask again: Is Ontario the largest borrower among all sub-sovereign governments in the world?

Hon. Charles Sousa: Ontario is a substantive and a major borrower, and as a sub-sovereign government, we've also become well-regarded in the degree in which we are dealing in the automotive sector and in attracting investments into the province. As a result of some of those initiatives, Ontario has become a huge and powerful sub-sovereign jurisdiction.

Mr. Rob Leone: I'm going to try one more time. Is Ontario the largest borrower among all sub-sovereign governments in the world?

Hon. Charles Sousa: Mr. Leone, I am going to call upon one of our officials, who will answer that question.

Mr. Rob Leone: Thank you.

Hon. Charles Sousa: Gadi.

Mr. Steve Orsini: I'm going to ask Gadi Mayman, who is the chief executive officer at the Ontario Financing Authority.

One thing I want to point out is that a lot of comparisons don't net out capital borrowing, so that is one thing, given the \$35 billion in capital spending that the province is investing over the next three years. It does change the rankings if you just pulled out the capital spending. But I'm going to ask Gadi to speak to our general borrowing program in general.

Mr. Gadi Mayman: Yes. Do I need to swear in?

The Vice-Chair (Mr. Taras Natyshak): No.

Mr. Rob Leone: Just your name.

Mr. Gadi Mayman: Gadi Mayman, and I'm the CEO of the Ontario Financing Authority.

Yes, we are the largest sub-sovereign borrower in the world, but we have one of the highest credit ratings of the sub-sovereign jurisdictions in the world. Ontario has, as recognized by the rating agencies, substantial responsibilities

that other sub-sovereign jurisdictions do not, so a comparison of one to another is difficult to do.

I think the biggest measure is our ability to attract capital. We have a \$33.4-billion borrowing program. We are, I guess, just over five months into the year, and we've already borrowed almost half of what we need for the year at very attractive rates. So while we are a large borrower, we're still a very attractive borrower to investors both in Canada and around the world.

Mr. Steve Orsini: And just to underscore: The size of the borrowing reflects the major capital investments that the province is making.

Mr. Rob Leone: Minister, what area is the fastest-growing area of expense? What area is that?

Hon. Charles Sousa: The largest portion of expense in government is around salaries.

Mr. Rob Leone: Is what?

Hon. Charles Sousa: Salaries and employees; labour is our largest expense.

Mr. Rob Leone: How about interest on the debt? Is that pretty fast?

Hon. Charles Sousa: Interest on debt—and I can call Gadi back on this one—has remained the same, at about \$10 billion, for the last six or seven years, I believe. Notwithstanding the increase in our overall debt, our ability to attract investors at lower rates has enabled us to maintain our interest costs stable over that period of time.

Mr. Rob Leone: What exact effect will be borne on the Ontario budget if interest rates do go up over the short to medium term?

Hon. Charles Sousa: We can speculate if rates go down, if rates go up. What I can say is that on a percentage basis overall, our overall cost of interest to our budget has been reduced, has been going down, because the amount of \$10 billion is roughly how much it cost in our interest rates over this 10-year period. It's highlighted in our budget forecast. The deputy is looking it up now.

Gadi just mentioned to you the attractiveness of Ontario. As a result of the good work that they've been able to do—they've been locking in our bonds for a 30-year period in many cases, which minimizes the volatility exposure to interest rates.

Mr. Rob Leone: Are we going to get Gadi to come back?

Mr. Steve Orsini: Just in terms of the budget on page 221, it shows last year, for 2012-13—this is an interim. I will have to double-check public accounts, but it's roughly \$10.4 billion. For this year, we're tracking about \$10.6 billion.

Mr. Rob Leone: Okay. One of the things that our researchers pulled out was that the interest on the debt represents not only the fastest-growing area of expense but almost half of the planned growth in expense over the next several years. That suggested that this is going to increasingly crowd out spending priorities such as health care and education.

Hon. Charles Sousa: I'm sorry. Where are you getting that from?

Mr. Rob Leone: I'm sure it came from something that we've been able to get over the last little while, but I can't specifically outline that. Is that true?

Hon. Charles Sousa: I'm not aware of that. We recognize what interest costs are. We recognize—and certainly finance, in their due diligence, always identifies risks and worst-case scenarios. We then, as government, make a decision based on those initiatives and those analyses, but as we've shown over time, we've been controlling the level of expense as it relates to interest rates. Of course, we're all benefiting from a low-interest-rate environment.

Mr. Steve Orsini: Maybe just to elaborate a bit further on the minister's comments: One of the things that public accounts has reported is a lower deficit of \$600 million compared to interim at budget time. That would bring down our interest debt costs. Any growth in interest on debt will have to be recalibrated in light of the new numbers. Whatever information we have would be in our public accounts that have been released today.

Hon. Charles Sousa: In public accounts, during some of the work that we've done, we've also identified that roughly \$22 billion were not borrowed over this period of time, as we were able to make savings.

Mr. Rob Leone: What does that mean?

Hon. Charles Sousa: Because of some of our cost controls further to what we anticipated in our budget, we were able to control our expenses and grow our economy without borrowing to the tune of \$22 billion that was anticipated.

Mr. Rob Leone: Just on that note, I know you talked about the debt growing because of capital investments and so on. The deficit for this year is projected to be about \$11.8 billion, if I'm correct.

Hon. Charles Sousa: It's \$11.7 billion, yeah.

Mr. Rob Leone: It's \$11.7 billion?

Hon. Charles Sousa: Yes.

Mr. Rob Leone: Whatever it is. But the debt is expected to increase by over \$20 billion. Is that because of capital expenditures? I've never been really clear on how—everyone just assumes that debt increases by the amount of your accumulated deficits, but obviously that's significantly more, so can you comment on why or how? I'm very curious about that.

Hon. Charles Sousa: Yes. It's important to note that when reviewing your overall debt structure, you have to consider the amount that you're borrowing to invest in capital and infrastructure and in initiatives that aren't covered, because what we are expensing is the amortization component. So the overall debt load will be that capital investment. That's why we do take into account the total debt structure in identifying our net debt. Net debt is the summation of both the cumulated deficits in our debt as well as our capital debt structure that's used to invest in capital.

Go ahead.

Mr. Steve Orsini: Just to elaborate further on the minister's comments: In the 2013 budget, pages 305 and 306, it separates the two. It looks at cumulative deficits

over time, and then it compares it to net debt to GDP. The differential—there are a lot of adjustments; accounting and otherwise—is primarily capital investment. The government is investing significant amounts in capital, over and above the cumulative net deficit for the province, and that accounts for a large share of the net debt to GDP.

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The Vice-Chair (Mr. Taras Natyshak): Thank you very much, Mr. Orsini, and Mr. Leone.

We'll move to the NDP. Ms. Fife?

Mr. Rob Leone: The timing worked out that way?

The Vice-Chair (Mr. Taras Natyshak): Time's out. Time's over.

Ms. Catherine Fife: It goes fast when you're having fun, Mr. Leone.

Thank you very much. I'd like to pick up where we left off with MPP Mangat this morning on auto insurance. I guess I should congratulate you, Minister, on getting a 15% reduction in your auto insurance rates; that's wonderful to hear. However, that isn't the reality for many Ontarians in this fiscal year, as they negotiate their new rates.

In your auto insurance policy statement of August 23, there was a commitment to look at the issue of credit scoring. Will the province ban credit scoring in the setting of insurance premiums and in determining eligibility for coverage?

Hon. Charles Sousa: We're going to ask one of my officials to come up, but in the meantime, it is important to note that, as a result of some of the collaborative efforts of the government, together with the third party, together with some of the work that's been done in the anti-fraud task force, together with the identification of some of those additional costs that are attributed as a result of that which you've just identified, we are able to now identify and lower the overall costs of claims. That is what is being transferred over to the consumers. One of them, of course, is the competitive nature of the industry. As a result of that, a number of companies that have weathered the situation better are now affording even better rates to their clients and potential clients, and that is what they're doing.

But if I could call on—

Mr. Steve Orsini: Phil Howell.

Hon. Charles Sousa: One of the identifications here is to have an independent expert panel and an independent review to look at the transparency and accountability of passing on those savings.

Ms. Catherine Fife: Okay, thank you. Phil, would you like to comment on credit scoring?

Mr. Phil Howell: Sure. I'm Philip Howell, CEO and Superintendent of Financial Services. Credit scoring for auto insurance is already banned.

Ms. Catherine Fife: It's completely done for this year?

Mr. Phil Howell: Sorry. Credit scoring is not allowed by companies in setting—

Ms. Catherine Fife: In the setting of insurance premiums?

Mr. Phil Howell: Yes. In setting the rate.

Ms. Catherine Fife: And in setting eligibility?

Mr. Phil Howell: Yes.

Ms. Catherine Fife: Completely?

Mr. Phil Howell: Yes.

Ms. Catherine Fife: Okay. Thank you. You might want to stay there.

The definition of “catastrophic impairment”—this is a very contentious issue. If we’re looking for systemic change in the auto insurance industry, this has to be part of the conversation. This is an important issue, but it’s the cost of treating those injured victims that is the critical concern to us as legislators. I sat on the finance committee, and, quite honestly, I heard some very compelling stories as we travelled across the province and heard personal stories of individuals who were not qualifying or who were in long, extended court battles with their insurance companies because of a lack of clarity on this issue.

Could the minister release the data on costs related to catastrophic injuries, so that we can assess if there is a real problem being dealt with here when we look at the redefining of the definition of “catastrophic”? We’re trying to delve down to get to the real costs of this issue. Can you comment?

Hon. Charles Sousa: It is something that comes up in our discussions and in our deliberations, but over to you, Phil, if you could?

Ms. Catherine Fife: Phil?

Mr. Phil Howell: Sure. There is a lot of misunderstanding, I think, around the issue of the catastrophic impairment benefits that are part of the Statutory Accident Benefits Schedule. As part of that schedule, there is a detailed definition in the SABS regulation that lays out the requirements to access the benefits that are provided for catastrophic impairment. What a number of court decisions have done and a number of arbitration decisions have done since that definition was established is point out that there is a lack of clarity and precision as to what constitutes catastrophic impairment.

As part of the 2010 reforms, I was asked to convene a medical expert panel and have them produce a report for me on a definition, an appropriate, medically evidence-based definition of “catastrophic impairment.”

Following their report to me, I prepared a report to the previous Minister of Finance recommending a number of the recommendations that were provided by that expert panel, modifying and changing some of them that presented a definition of “catastrophic impairment” that actually enhanced the benefits under the “catastrophic impairment” definition that had been in existence, specifically making it automatic entitlement for children—in this case, children are up to 18 years old—who sustained catastrophic injury, and a number of other amendments.

The key part about this report was that, for the first time, it actually introduced medical evidence into consideration. One of the problems, from my perspective

certainly, is that the previous definition of “catastrophic impairment” really wasn’t based on anything other than a number of stakeholders getting together and saying, “Yes, this should be deemed catastrophic.” They shouldn’t.

So, on the going forward basis, the 2010 reforms were very useful and, for the first time, trying to root the definition of “catastrophic impairment” on the basis of medical evidence.

Having said that, the reason that catastrophic impairment benefits are so important—and I should mention that Ontario is the only province that provides those as an entitlement or as a benefit; no other province does. I should also note that because of the amount of those benefits, there’s a considerable incentive on the part of people to try and access them, whether or not they are legitimately catastrophically impaired. Nobody questions, including insurance companies, the right of people who really are legitimately catastrophically impaired to get those—

Ms. Catherine Fife: And yet the auto insurance industry has asked for clarity around the “catastrophic” definition. Just to be clear, we’ve gone through this—it’s three years ago, 2010. Expert panel—you have recommendations. You brought them to the finance minister. What happened to that needed clarity around the definition of “catastrophic”?

Mr. Phil Howell: Well, that’s something you would have to ask the government.

Ms. Catherine Fife: Okay. Minister?

Hon. Charles Sousa: And to that end, and as we release the policy statement to the Automobile Insurance Rate Stabilization Act, 2003, we recognize that some of the steps necessary to reduce the overall cost of claims are being addressed. Items in regard to health benefits, as well as clinics, and then the definition of “catastrophic” are also—and minor injury guidelines for that matter—being reviewed, but what we want is to start passing on the savings immediately and get those that are available to us. So that’s what we’re doing. An expert panel is also being addressed. We have—

Ms. Catherine Fife: So we have another expert panel?

Hon. Charles Sousa: No, no, no. This is a watchdog. This is independent so that they monitor the results on an ongoing basis to ensure that the savings are being passed on. We need that independence. We need to ensure that those things are captured, and if, for whatever reason, something is not being passed along, then they would work on those required definitions, but that review is also being assessed.

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Ms. Catherine Fife: Okay. So, in 2010, though, just to review: The government radically changed the Statutory Accident Benefits in September 2010, drastically reducing the basic coverage from \$100,000 to \$50,000 and implementing a cap of \$3,500 for minor injuries. This has dramatically reduced statutory benefit payouts and increased industry profits, even while the

industry is asking for clarification on the “catastrophic” piece of this equation.

Could you tell us how much statutory benefit payouts have dropped between 2010 and 2012, the last year of which we had GISA statistics? I mean, you’ve just said that you want to pass on those savings immediately, and this is 2013. I think the challenge is better understanding why the government hasn’t been able to pass on those savings when we’ve already had an expert panel. And I understand that you want a watchdog, but we have to drill down and get the exact number on the statutory benefit payouts and how much they’ve actually dropped. I think that’s an important piece of the equation. Do you not think that?

Hon. Charles Sousa: It all is important, and as a result of some of the extensive work that we’ve done, as you’ve just identified clearly, we are now in a position to get those savings passed on to the consumers. At the same time, we want to protect the victims, and I think you’ve identified that too in your question, in a round-about way. So we want to make certain that we’re taking a fair approach in terms of how we’re achieving the results that we want, which, in the end, is to provide greater benefit to the consumer, recognizing that we want coverage that’s adequate for all concerned. But those savings are identified, those savings are being passed on, and I think that is being identified.

But to your point, you want to know exactly the degree to which they’ve been reduced, so—

Ms. Catherine Fife: Well, you must know. I mean, somebody must know how much, what that number is.

Hon. Charles Sousa: Go ahead.

Mr. Steve Orsini: I’ll just make some remarks and then ask Phil to elaborate further. One of the things that we looked at, cost in premiums over time—so if you look at for 2010 down to 2011 and then where we are at 2012, that is taking a very short-term perspective of where the costs are.

If you go further back and you look at costs in premiums, costs have been rising faster than premiums, so you have to look at it a little over a longer time horizon. Since the 2010 changes—I think Phil can elaborate further—there’s been quarterly reports coming of rate certifications that FSCO does. There’s been actually small reductions going forward. The benefits of the recent changes from the budget bill are not expected to kick in until January of next year.

Ms. Catherine Fife: Okay, but I’m not talking about this last bill; I’m talking from 2010-11 and 2011-12. FSCO must have this number.

Mr. Steve Orsini: I’m going to ask Phil to elaborate, but it’s just over a longer period of time.

Ms. Catherine Fife: You’ll provide that number?

Mr. Phil Howell: I will provide that number to the committee.

Ms. Catherine Fife: Thank you, Phil.

Mr. Phil Howell: Statutory Accident Benefits payments have been reduced. It’s important to remember that Statutory Accident Benefits are only one part of the cost-

of-claims equation. There’s third-party liability, there’s collision, all of those other costs. Currently, one of the effects of the 2010 reforms is that Statutory Accident Benefits as a share of total claims costs have dropped from about a third to a bit over a quarter, which is true, although third-party liability costs are going up and other costs are going up.

Ms. Catherine Fife: Sure.

Mr. Phil Howell: In the context, I think it’s important just to reiterate a point that the minister made, and the deputy as well. At the end of the day, any discussion about reducing auto insurance premiums under the system that we have in Ontario has to be based on reducing claims costs. The two are not separable; they are intimately connected.

Ms. Catherine Fife: I think that you touched on that too, around catastrophic, because you say because the number is so high, then you are seeing people who want to access that high number. We’ve never said that fraud is not part of the equation; we’ve said that we need systemic change in the auto industry so that it’s fair for everyone, because there are some—I mean, you have the auto insurance industry actually coming to us and saying, “We need clarity.” They want a level playing field, and it seems to me that the government had all the information they needed from 2010 to level the playing field, but we’re going to get to that.

The overall loss ratio—sorry, I’m on to my next question. The overall loss ratio is considered by most industry experts as the best measure of profits. Can the minister tell us what the change in the overall loss ratio was between 2009 and 2012?

Hon. Charles Sousa: I appreciate the question. Over to you, Phil.

Mr. Phil Howell: We can provide that. The loss ratios have definitely come down from a situation pre-2010 in which the industry was experiencing significant losses. I will provide those numbers and add the caveat that the loss ratios that do get reported for P&C companies reflect their whole line of business. They’re all regulated by the federal solvency regulator, OSFI, and those loss ratios will reflect what happens in all of their lines of business. But it is true that auto loss ratios have come down.

Ms. Catherine Fife: Thank you. To the minister: In your August 23 auto insurance policy statement, you said that you would look at the question of territory and whether it was fair for drivers in one part of the city to pay considerably more than other drivers in another part of the city or jurisdiction. Could you elaborate a little bit on where you’re going with this? Because I think the Ontario public has actually waited a long time for an acknowledgement that there is great disparity in rates across the province, and sometimes even within very close regional areas. The statement, I think, was welcomed; what do you exactly mean by the statement?

Hon. Charles Sousa: You’re referring to a statement in the policy under item 1(f), ensuring that insurers are allocating costs fairly between rating territories. It also talks about a number of issues around the return-on-

equity benchmark; it talks about first-time drivers getting benefit for being safe drivers; it talks about technology initiatives; it talks about those initiatives where we have safe driving habits as well, winter tires and things of that sort. But in all of these things, one thing that was clear to us was that certain regions in the north, rural communities and so forth have less risk, less consequence, a lesser degree of claims, and yet certain areas and urban centres are more greatly affected.

But I'll ask Phil to talk about specifically those where within the same city we're having dramatic differences in those premiums. I think that's what you're getting at as well.

Mr. Phil Howell: Currently, the Insurance Act allows companies to rate by territory. The number of territories that can be used is limited under current regulations. In the case of the GTA, they are limited to 10 different territories. There's a vast array of rules and parameters around what constitutes an acceptable territory, and at FSCO we have to approve all of those territories. If members are interested in an exhaustive discussion of that, I can refer the committee to my submission to the general government standing committee of April 15, 2013, in which the rules and parameters and so on are explained.

Ms. Catherine Fife: So you're considering different formulas and maybe sliding scales and scoring?

Mr. Phil Howell: Companies are allowed to establish their own territories and submit an application to us for approval of those territories.

Ms. Catherine Fife: And those are approved by FSCO.

Mr. Phil Howell: Yes. There are rules, though, around what constitutes a territory. You can't choose, like, three blocks here and then go several blocks away—

Ms. Catherine Fife: So you're looking to create some clarity around that.

Mr. Phil Howell: I think there's complete clarity around those rules. They're all published on our website. They're all available. There has never been—

Ms. Catherine Fife: But when the minister says that—sorry, to the minister: When you say that you're looking at trying to make this more fair, what do you mean by that?

Hon. Charles Sousa: The way the policy statement reads, we want to ensure that insurers are allocating costs fairly between rating territories. FSCO and Phil will be compelling those insurance companies to provide for rate applications for reduction, and, as mentioned, they have discretion as to what territories they wish to accommodate. We want to make certain that it's done fairly.

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Mr. Phil Howell: We, in the ongoing course of business, do examine companies and audit them to ensure that they're compliant with what has been approved.

The key thing to understand on the territories is, there are very legitimate reasons why claims costs are going to differ in different areas. Of course, as with any insurance product, the implication—if you went all the way to the

same premium base, average premium, applying everywhere in the province, what you would see is a significant savings for people in the high-claims-cost area, i.e., the GTA, and a dramatic increase in the rest of the province, in areas that are much smaller and don't have claims costs experiences that are anywhere near as high as in the GTA.

Ms. Catherine Fife: And so I'm sure—

The Vice-Chair (Mr. Taras Natyshak): Thank you very much, Mr. Howell.

We will now move on to the Liberal caucus. You have 20 minutes.

Mr. Rob Leone: Ask a tough one.

Mr. Steven Del Duca: Twenty minutes?

The Vice-Chair (Mr. Taras Natyshak): Twenty minutes.

Mr. Steven Del Duca: Sorry, the member from Cambridge wants a tough one? I could ask you a question about how you do your hair like mine.

Minister, good to see you this afternoon. I wanted to start off by asking you a little bit about—maybe you can help the committee understand some of the initiatives that this government has undertaken with respect to providing support to Ontario's municipalities, but in particular our rural and northern municipalities.

Hon. Charles Sousa: As you know, we've been working very closely with all municipalities across the province, recognizing some of the pressures that they face fiscally—as does the province, for that matter—but more importantly, uploading a number of those services to support social services and court services. We've been able to upload a substantive amount of dollars, in the billions, to offload some of the pressures on the municipalities, and we're doing so on an ongoing basis. We have a number of funding formulas to support them sustainably and consistently and predictably so that they're able to plan effectively.

We also added this year, in our budget, under page 141, our ongoing support to municipalities to the tune—in that, you'll note how much it's an increase from the year 2000 to 2012, which is well over \$3 billion. There has been an increase of over 200% from the levels of 2003; it has actually been about \$3.4 billion.

We also added, in this budget, those municipalities that don't have the benefit of the gas tax. It's important to note that certain rural communities also need to invest in infrastructure, in roads and bridges. So we added what would have been equivalent, thereabouts, to the gas tax that's provided to some of those urban centres that do receive it. That came out to around \$100 million, and that is being used to support those municipalities.

We've also made permanent the gas tax to the other municipalities that were receiving it, so that they too have reliability and recognition so that when they make their planning and their initiatives for their budgets, it's not that they have to come out with cap in hand; they already have that stuff secure.

We have ongoing discussions with the municipalities in terms of what other matters are required to support. It

has enabled us to upload a substantive amount of dollars. It has enabled us to also have, I believe, much more responsible discussions and conversations around the type of infrastructure investments that are necessary, as well as sewers and water treatment plants, for example, and other matters. We're working closely with the municipalities on that score.

You yourself have taken a lead in regard to assessing the MPAC assessments so that the municipalities that are reliant on property tax can also have a better understanding and a sense as to what will be afforded to them on an ongoing basis.

Mr. Steven Del Duca: Thanks very much for that answer. I know many of us were at the AMO conference in Ottawa just a few weeks ago, and I think it was very clear, listening to folks from municipalities across the province of Ontario, how much they appreciate your efforts and the efforts of Premier Wynne and our government to make sure that they are treated in a fair and just manner going forward. That's great news.

One of the topics that came up earlier today at committee—at least, I thought I heard some of the questions from across the way—was discussion around the notion of innovation. I have kind of a two-part question here. One is, because we all understand that innovation is an important part of a strong economy that, when done properly, when being supported properly, helps to support high-paying jobs—if you could tell us a bit about what Ontario is doing to support innovation, I guess, generally speaking, but then also specifically what Ontario is doing to support innovation and entrepreneurship within Ontario's music industry, that would be very helpful.

Hon. Charles Sousa: You're absolutely right that for any jurisdiction to be competitive in the long run, it's essential for us as a province to take leadership. We have some outstanding innovative minds and leaders in the sector who have done a substantive amount of work around innovation. But we need to, in some respects, nurture the incubation of those research projects to the benefit of the province—for that matter, for the country.

In our budget, we also talk about promoting entrepreneurship and innovation. We talk about fostering the programs that we have for research and development. As a percentage of funded businesses or the Ontario businesses that fund these types of projects, Ontario is equivalent to Canada, I guess on an average, but we are much lower than what Germany would do in investing in research and innovation.

It sets us apart. It will set that jurisdiction apart from the others for those that invest. We know from some of the studies that have been provided that those that invest in research and innovation will surpass other jurisdictions that do not. For Ontario to be competitive, we need to be bold, and we need to ensure that we make those investments. We spoke earlier about the productivity gap. That's one of the areas that we need to invest in in order to reduce and close that gap.

It's also, to some extent, a great investment in our young minds. There are a number of outstanding ideas

that are coming forward that we want to nurture and develop right here in the province as opposed to seeing them go elsewhere. Of course, we've had a number of companies that have done well. Some of the best practices that come from those companies work in other parts of the world, and when they bring it back to Ontario it is the continuing systematic reinvestment in innovation and technology.

I'm not talking about just using the universities and colleges for these kinds of programs. We see some of those outstanding programs occurring right here in Toronto, at Ryerson and at University of Waterloo. But it's the businesses themselves. It's those companies that have to also take leadership in making those investments in R&D. We have encouraged that. We're trying to stimulate some of those initiatives. We've established a fund around innovation to support that.

We've also developed a fund to help our arts and culture. It's not just about improving or promoting the social benefits of arts and culture. It is very much an economic benefit. We see that Ontario has attracted more films and productions than any other place in North America. That's because of some of our film tax credits that we've provided.

We also recognize that there's probably even more untapped potential in the music industry. Why do so many of our artists have to go to LA or New York to make their productions and to produce their—CDs, I guess they're now called, as opposed to albums? We have here an opportunity to expand the ripple effect of the tremendous amount of jobs that will be created from that.

We provided a \$45-million grant over three years, starting in 2013-14, to take advantage of those opportunities that exist. As a result of that announcement alone, there are a number of major record labels, producers and recording artists all looking at the opportunities that will be available in Ontario to make those productions. I'm talking about every part of the province, not necessarily any particular urban centre, because there is some great degree of work that I see now happening in some of the northern communities around music. If these grants can help support that, all the better.

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These are just some of the initiatives that are coming forward to try to promote—and this is innovation in itself. Some of the music, some of the recording, some of the film and some of the technologies that are being developed right here in Ontario are occurring because of the stimulus and the support systems that we've been able to provide them.

Mr. Steven Del Duca: Thanks very much.

The Vice-Chair (Mr. Taras Natyshak): Mr. Colle.

Mr. Mike Colle: How much time?

The Vice-Chair (Mr. Taras Natyshak): You have roughly 10 minutes left.

Mr. Mike Colle: Oh, good. It just intrigued me, some of the questions Mr. Leone was asking about sub-sovereign jurisdictions and borrowing comparisons.

What I was always trying to find out is some information in terms of jurisdictional responsibilities when it comes to sub-sovereign jurisdictions compared to the Canadian or Ontario model—for instance, the German states, the US states, the states in Australia. Have we ever looked at or do we have any information—maybe I can ask research to find out what their jurisdictions are. In other words, do the states in Australia pay for mass transit? Do they pay to build hospitals? What percentage of health care is paid by the federal state and the sub-sovereign states?

I'm not sure if the Ministry of Finance has ever done any kind of cursory review of some of these sub-sovereign states and, basically on the capital side, what their jurisdictional obligations are, compared to a typical Canadian province or the province of Ontario.

Hon. Charles Sousa: It's a great question, because you do want to compare apples to apples. In this case, a comparison of certain jurisdictions—a sub-sovereign jurisdiction versus another—may not necessarily be appropriate. California, for example, is prohibited from borrowing, yet they're also financially having some difficulty in their recovery, for other reasons. It's important to note that the fundamentals of Ontario are different than they are in other parts of the world, and it's one of the reasons why we have this ability not only to borrow but to also act on some of those programs and initiatives.

I'll ask the deputy here to provide some clarity as to which of those jurisdictions are different than Ontario.

Mr. Steve Orsini: It's a very good question, to make sure we're comparing apples to apples, as the minister referenced. We feel that Ontario is a significant borrower because of major, major capital investing that's going on: \$35 billion over the next three years. I think if we come back and net out the differences in mandates and sort of capital investment, that might put it more on an apples-to-apples basis.

One example is, during the major downturn in 2008-09, Ontario was the only sub-national jurisdiction to make a big investment to restore and protect the auto sector, whereas most of it was done at the federal level in other jurisdictions. That, again, shows the differential in terms of Ontario's responsibilities versus other sub-national jurisdictions.

I think we can commit to provide some additional information on that, to ensure apples-to-apples comparisons.

Mr. Mike Colle: The Ontario government is committed to \$35 billion in capital expenditures in the next three years. What has the federal government committed to in capital expenditures over the next three years?

Hon. Charles Sousa: There's a Building Canada Fund, and to date, there have been minor contributions made by the federal government to our infrastructure, our transportation initiatives. I have ongoing discussions with the federal minister to review how it is that we can act on a national strategy around transportation, but to date, it hasn't been a great amount.

But if you could—to the deputy, please.

Mr. Steve Orsini: We can provide that information. Without the specific numbers, by far, Ontario is making a much larger infrastructure in the province than the federal government is cross the country. We can provide those numbers.

Mr. Mike Colle: Okay. Just continuing on that vein, I know a number of years ago, a number of us were very interested in the fiscal gap that exists between the amount of dollars collected by the federal government in Ontario every year in taxation—personal income tax, corporate taxes, GST/HST—and the amount of dollars then invested or spent in Ontario by the federal government. I know that at the time when this was first brought up by Dr. David Naylor, president of the University of Toronto, he found there was a \$23-billion gap. That was the amount of money that people of Ontario were not getting back from the taxes they paid to the federal government. Most of that money, I guess, was going to other provinces because of the equalization formula. I know there were some successes and changes to that equalization formula that created this \$23-billion gap between the number of dollars Ontario taxpayers paid and what they got back from the federal government. I'm just wondering whether the Ministry of Finance has kept any data on this gap of the dollars that flow out of Ontario and the dollars that come back from the federal government.

Hon. Charles Sousa: Yes, it's a good question, again. We do have records of the amount that is basically contributed to the federation by Ontario over and above that which we receive. You're right in commenting it was about \$23 billion in the past. We're looking it up right now.

I'm going to ask Greg Orensak to come up, and he will be able to give us some support on this.

Mr. Greg Orensak: Hi, Mr. Colle. I'm Greg Orensak, associate deputy minister of the office of treasury board.

You're correct: There are various measures of the fiscal gap, including the \$23-billion gap that was identified in terms of transfers between the federal government and the province. That gap is something that we've monitored closely. There are also other ways of looking at that gap.

In particular, you mentioned equalization. We publish and track the contribution that Ontario taxpayers make to the equalization program against the transfers through the equalization program to the province of Ontario. The latest figures on that that we have is in the 2013-14 fiscal year, Ontarians' net contribution to the equalization program will be about \$3.1 billion. That's about \$226 per person. That is the difference between what Ontarians sent to the federal government to fund the equalization program as a whole and what we receive back from the federal government.

If you add up this gap over time, it does result in a fairly significant number. Over the past 10 years alone, Ontario has contributed about \$50 billion to the equalization program. Despite receiving equalization, Ontario

still remains the biggest contributor to the equalization program among all provinces in Canada.

Mr. Mike Colle: Thanks very much, if I could get a brief one-page on that. There's no hurry on that.

Hon. Charles Sousa: Actually, we can do better than that. It's already outlined on page 248 of the budget. I'll read this to you. "The Mowat Centre's report"—this is an independent report now—"Filling the Gap," estimates that there is an \$11-billion shortfall between what the people of Ontario pay in federal taxes versus what they receive in federal transfers and services.... It is increasingly clear that the current system of federal-provincial fiscal arrangements is working against, not for, the people of this province."

There is a chart on page 249 highlighting some of the differences in the gap. If you go to "Net Contribution to Equalization by Province" on page 250, it shows an example of how it's working against Ontario.

Mr. Mike Colle: Okay. Thank you for that. I think my colleague has a question.

Mrs. Amrit Mangat: Thank you. When the housing bubble burst in 2006, that led to a sharp economic downturn. The fallout from that recession continues to reverberate globally. Ontario was hit hard as well. This morning, you discussed job creation and job numbers. My question to you is: What is your plan about youth employment? I'm hearing a lot of questions from the youth in my riding of Mississauga-Brampton South.

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Hon. Charles Sousa: Thank you for the question. You're right in that Ontario felt the recession much more quickly and much more severely than any other province in Canada. At the same time, we took almost immediate steps to try to resolve and incubate and secure the position of the province.

One of the areas critical to our success as a province is ensuring that our young people are achieving and reaching their maximum abilities. Given the change of the landscape, while some want to be stuck in the past and want to deal with the old ways of manufacturing, that's not the way it is today. In order for Ontario to compete and be effective, it's very much an investment in the people of the province and those individuals doing value-added contributions in the sectors. We can't compete, we know, with low employment numbers, low wage rates. We can't compete on a low Canadian dollar. And we're finding it increasingly difficult to compete in a system that doesn't provide innovation. If we're just replicating that which is already existing, we're going to fall behind, because there's always another mechanism, another manufacturing sector that's going to invent something new to enable that product to be—

The Vice-Chair (Mr. Taras Natyshak): I have to cut you off. Thank you very much.

We will move to the PC caucus for another rotation of 20 minutes.

Mr. Michael Harris: Thanks, Taras. Good afternoon, Minister. I'm sure you'll be able to come back to that later on.

Minister, I notice that you had a press conference earlier today where you talked about achieving a 0.1% reduction in spending. I guess I'll just ask you right off the bat, how did you achieve those savings? Was it through administrative or efficiency savings?

Hon. Charles Sousa: The total spending of the province was reduced by 0.1% as you've just identified, which includes interest on debt and program spending. Program spending actually was reduced even greater, at 0.4%, and those substantive reductions that have not occurred in well over a decade were achieved as a consequence of transformational changes that we've done in respect to the way we deliver services, a number of reductions by ministries in their costs. There have been some one-time improvements in pension reform and other ways that we've provided for expenses. We did this all at the same time that revenues fell below what was anticipated. As a result of some of those innovations or some of the transformations that we did in spending cuts, it enabled us to come forward with an even lower deficit at \$9.2 billion.

Mr. Michael Harris: Earlier this year, your cabinet secretary, Peter Wallace, said that the government needs much more significant reform to balance its books. In fact, he said there would need to be 4% spending reductions every year. That's 40 times more than your 0.1% reduction. I just find it concerning—and do you think Ontarians would be concerned?—when you say "significant achievement" of 0.1% in terms of reductions when even your own cabinet secretary is calling for 40 times that?

Hon. Charles Sousa: Again, I cautioned the members of this committee at the start of my deliberations that what you're looking at are commentary, analysis, risks that are identified by officials of government, which is exactly what I need them to do. We want those ideas and those concerns to be brought forward so that we can address them appropriately.

I've just identified some of the savings that we've done, primarily in health and education, to the tune of \$0.9 billion, and other expenses to the tune of \$0.4 billion. As a result of some of the consequences, some of the risks that may be identified, we then have to mitigate those risks. That's why we've taken the steps that we have in transforming the way we do business as a government, to ensure that those costs are contained and, in this case, reduced even further.

Mr. Michael Harris: Thanks. I couldn't help but read a quote that I read a while back, in fact from the cabinet secretary, talking about the government's debt. I'll read you one of those quotes. He said, "This is so far beyond administrative or efficiency savings, it's not even funny. We can get rid of all" Ministry of Community and Social Services "administration ... and not come close to the fiscal objective. More directly, this is far more gravy than Ford even promised to look for."

Do you agree with the cabinet secretary's assessment?

Hon. Charles Sousa: Again, I wish to caution this committee as to what it is you're saying and the premise

by which you're asking the question. You have before you a number of opinions and communications and discussions that would never be made public anywhere else. We want our staff and our officials to speak openly and freely, to provide information and opinions as they see fit.

The determining factor here isn't what was said as much as what was done to control the outcome and to make the difference. We have, and we take under advisement, all of the concerns that come our way. But it's this budget and it's this summation of these initiatives that are most important, because that is what has been compiled to offset some of the very risks that have been identified.

When we provided this budget, we not only looked at some of the work done by Don Drummond; we also looked at the jobs and prosperity report that provided a number of ideas as to how to promote growth. We also looked at Frances Lankin and Munir Sheikh's report on how to help transform social programming, all with the intent of ensuring that we control our spending and promote economic growth.

There are two parts of this equation. We have to always be mindful that we need to increase economic growth in order to promote and provide for the lowering of our overall deficit and support a more prosperous environment and a more prosperous economy in the long term.

Mr. Michael Harris: Would you actually agree, though, with the cabinet secretary that a 4% reduction in spending is required every year?

Hon. Charles Sousa: Well, we've just proven to you that we can make a reduction in spending, and we just accomplished that.

Mr. Michael Harris: Would you suggest that 0.1% is actually a significant achievement?

Hon. Charles Sousa: We have just beaten our targets, well below what was anticipated, at \$14 billion to \$9.2 billion. We have now even re-forecasted some of our out years in our deficit targets to make them even lower, recognizing some of the systematic changes that have been established that will enable us to even provide for a further reduction in our deficits going forward.

Mr. Michael Harris: So you don't agree that a 4% spending reduction is required to get spending under control?

Hon. Charles Sousa: If I look to page 110 of our budget, this talks about how we're holding our program spending, and how we have held our program spending, to less than 1% year over year, on average, since 2012-13 to 2017-18. This is the critical step that we've taken to achieve our balance by 2017-18.

It is already one of the lowest-spending governments in all of Canada. We already are the lowest-cost government in Canada, because of some of the careful reviews and initiatives that we've put forward and some of the transformations that we've taken.

We've outlined very clearly how we're going to achieve that balance, through the engagement that we've had with the public on our path to balance, through the spending that has been identified.

Mr. Michael Harris: I do think that the cabinet secretary provided some good advice. Clearly, that's not where you're headed, but that's out there.

I guess I'll take us back to your predecessor. I know he has transitioned out. We enjoyed his time at committee last year; I know I did. He characterized Ontario's debt as a "ticking time bomb." Would you agree with him in that statement?

1700

Hon. Charles Sousa: Again, I wish to caution this committee as to how they're prefacing the question. You're looking at only one side of the challenges that we face here.

You all have a shared responsibility in this, because you now have before you a lot of information that you would otherwise not have. It is not just the debt that's in question here; it's our ability to afford that debt. Some of the work that's been identified by other experts and economists—and it's even identified in our budget—is the concern that it would hurt public services with extreme across-the-board cuts. We've seen other parts of the world that have had no choice but to take more excessive austerity measures, not by choice, but because the markets demand it. When that happens, there is havoc and there is chaos, and there's an inability for those jurisdictions to have a return to prosperity and, more importantly, to balance.

So what is in question here is our ability to balance the books, stimulate economic growth and protect the hard-working families of Ontario to achieve that. So we have taken a very cautious but strategic approach to control spending and, more importantly, to promote growth through investment.

That has at times created more stimulus programming, like infrastructure spending, which then causes some higher degree of debt. But again, it's the ability to afford that debt that's questioned, and that is where we're monitoring on an ongoing basis the total net debt to GDP.

Mr. Michael Harris: Dwight Duncan characterized the debt as a ticking time bomb. How would you characterize today's debt here in Ontario?

Hon. Charles Sousa: For me, eliminating and tackling the deficit is a priority. It is one of the single most important things that we must do to maintain our competitiveness and confidence in Ontario's direction.

At the same time, it has to be done in a prudent and practical manner. That is why the previous finance minister also said it would be in 2017-18, not sooner: because he too recognized that Ontario must have a much more sober recovery that doesn't hamper the livelihood of families in Ontario while being able to support those investments which would then create some debt.

The measure, as I've always said, is that ability to monitor net debt, including interest on debt, so we can ensure that there's enough GDP growth to support it. As we look at that equation, as we look at that ability to increase our prosperity, Ontarians, for the most part, recognize the challenges that we faced, but also appreciate, I believe, the ability to continue having low un-

employment relative to other parts of the world, public education and universal health care, and confidence in our system to provide for the needs of those respective communities. That has been our priority, and the ability for us to create more jobs is what's going to create more GDP. That is why we have put forward a six-point plan to create jobs, to initiate job growth for the benefit of creating greater prosperity overall.

Mr. Michael Harris: I think Mr. Duncan at the time raised some alarm bells by calling it a ticking time bomb, predominantly because of the interest payments that we're currently paying annually. I mean, if you look at what it costs Ontarians to service our debt every year, \$11 billion, in fact, would be the third-largest ministry if it was its own ministry. That's money we're taking away from investing in our health care, education, infrastructure—all because we're accumulating more and more debt. In fact, we're on a crash course of reaching a \$12-billion deficit next year. We need to spend less time celebrating a rounding error and more time developing a real plan.

So my question to you is, when can we expect a real plan that includes actual fiscal reform?

Hon. Charles Sousa: You have made a number of assertions here that are deliberately assessing the degree of debt without looking at the other side of the equation, and that's dangerous to do. It's dangerous because it doesn't paint the entire picture of what is happening here.

I'm going to ask the deputy to interject. He has before us actual results; it's the budget plan, analyzing the overall interest on debt, which, you should note, hasn't increased year over year in actual dollars.

Go ahead, Deputy.

Mr. Steve Orsini: I referenced this earlier, and I didn't have the public accounts versions of our interest on debt.

The 2012 budget had forecast interest on debt to be \$10.6 billion. The actual, signed off by the Auditor General, ended up being \$10.3 billion because of the lower deficit as a result of the measures that the government brought in.

On page 11 of public accounts, it breaks down those areas where spending was lower compared to the 2012 budget.

Mr. Rick Nicholls: Okay. Thank you very much.

Minister, a TD report issued this summer compared the economic outlook of the Canadian provinces. It stated that Ontario had the most acute fiscal challenges. We have the longest deficit elimination timetable and a negative watch from Standard and Poor's. The TD report goes on to state that "much of the heavy lifting on fiscal restoration remains."

My question is, when does your government plan on taking this issue seriously, and what steps do you plan on taking to achieve fiscal balance?

Hon. Charles Sousa: TD and a number of the other economists are part of my economic advisory table. I seek their input and I look to their analysis in terms of what it is that we are doing.

We have projections going forward in terms of our ability to generate revenue, and we have a number of programs to constrain our expenses and control our costs. I've just released the public accounts of this province, highlighting the achievements relative to those very plans, and relative to what you've just expressed. The fact of the matter is that Ontario, while we have deliberately stated that we're going to come to balance by 2017-18—not as quickly as some of the other provinces said that they would do so, but the other provinces haven't achieved the results that they said they would, and yet we have. In fact, we've exceeded them.

But we are still being practical, because we recognize that in order for us to tackle and eliminate the deficit in an appropriate manner, we need to give the appropriate time. We will do what's necessary to provide the contingencies and the reserves, we'll continue to do what's necessary to even reduce our expenses further, and we'll try to always achieve better results, but we have to be practical and prudent in our plans going forward.

As a result of those initiatives, the very rating agencies that you have just talked about continue to rate us AA, on the most part. They continue to monitor the achievements that the province has been able to make to beat those targets. So for the most part, Ontario is being well received in regard to what we say we're going to do. While others may wish to do better, we are saying what we can actually do, and that's how we're proceeding.

Mr. Rick Nicholls: Well, when we talk about revenues and we talk about expenses, I notice over on page 109 in your budget book that in actual fact, revenues for 2013-14 have gone up somewhat, but total expenses have gone up even more.

I guess my question is, when revenues are in most cases declining and expenses are increasing, what goes? What goes? Or is the Liberal plan simply to just add to the provincial debt? What's your criteria for determining what will go?

1710

Hon. Charles Sousa: It's interesting, because I just released today what actually did occur.

This budget is a forecast of some of the initiatives that we have going forward. Expenses are actually stabilizing over the next number of years. We've identified them. Revenue is the challenge. You're right. We recognize that the global market has actually been more constrained than was initially anticipated. The TD Bank and others have identified that as well.

What we've done is lowered our anticipated revenue ability. We actually took the steps to be more cautious about our ability to grow our revenue base because of the constraints around the world, but that didn't stop us, and it doesn't stop us, from taking the measures necessary to control and limit the degree of debt—we have expenses. As a result, we've achieved negative spending which, as I've said, hasn't occurred in over a decade, especially program spending. Program spending has fallen even more dramatically than total spending overall.

We've taken those steps. We're measuring net debt to GDP to ensure that we're on the right trajectory, and the

auditor has stated in an unqualified analysis that our results have been achieved and surpassed.

Mr. Rick Nicholls: In other words—

The Vice-Chair (Mr. Taras Natyshak): You've got 30 seconds, Mr. Nicholls.

Mr. Rick Nicholls: Oh, all right. Thank you. So then just very quickly—because what I've been hearing and seeing is a lot of additional spending by the government in terms of programs and, to me, it's nice-to-have versus need-to-have. How would you respond to that with regard to the essential programs versus the nice-to-haves where the spending's still—

Hon. Charles Sousa: I disagree with the premise of your question. It's not a nice-to-have, it's a need-to-have. We need to invest in our young people. We need to invest in skills. We need to invest in infrastructure. We need to invest in those very stimulus packages that will promote greater dividends to make us competitive. As a result of those investments, job growth has increased by 689,000 net new jobs since 2003, 477,000 net new jobs since the recession, many of them—almost 80% of them—are full-time. We have new manufacturing sectors coming our way; 180% return of those jobs relative to any—and that surpasses any other jurisdictions around the globe.

While there have been one-time factors that we've identified and made clear, we do not stop in those initiatives that are going to promote that growth. We cannot stop in stimulating job growth and packages that will give us even greater benefit—

The Vice-Chair (Mr. Taras Natyshak): Thank you, Minister.

Hon. Charles Sousa: So we will continue to do just that.

The Vice-Chair (Mr. Taras Natyshak): Thank you, Mr. Nicholls.

We'll move to the NDP: Ms. Fife.

Ms. Catherine Fife: You've cautioned this committee several times on the kind of questions we're asking and you've said that we're fortunate to have this information, when really this is the potential of a minority government, and the only way that we can have a shared responsibility around financial planning, if you will, is to actually have the information. I think that's the nature of the questions. I just don't understand why you're cautioning committee members in the nature of our questions and actually the content of our questions.

Hon. Charles Sousa: I can clarify why.

Ms. Catherine Fife: Please do.

Hon. Charles Sousa: Because you're making reference to certain conversations that were never meant to be public. You're making reference to discussions between officials that—I do not want them to be guarded. I do not want our officials to find themselves constrained to give me advice because of fear that they may have to now have these discussions made public, and I certainly don't want some of the confidential discussions that are being made with proponents to also be expressed. That is my concern.

So when you preface a question by suggesting something that is only in an analysis or an opinion, you're then suggesting possibly that there is greater risk than there may actually be. I just want us to be clear: We're taking decisions—

Ms. Catherine Fife: Minister, I think that when people are employed by the government to give educated financial analysis to politicians, those opinions should count.

To that end, though, you talked at length this morning about the strength and powers of FSCO. When was the last time the minister under your office did an operational review of FSCO?

Hon. Charles Sousa: We're having ongoing discussions with FSCO. We are deliberating with FSCO now as it relates to auto insurance, and we are continuing on an ongoing basis to have reviews of our agencies and those bodies that oversee the work that we do—and the work that they do, for that matter.

Ms. Catherine Fife: When was the last time you did an operational review of Metrolinx? As you well know, some issues have come up over the summer around a lack of process around sponsorship deals that were signed through Metrolinx. They are tasked with a great responsibility in rolling out transportation recommendations that are either listened to or not listened to, depending on the day of the week. I wondered, have you done a cost analysis of Metrolinx, aside from the statement that's in the budget? I know you're going to point to the page again, but have you done a cost analysis? I mean, as the Minister of Finance, you must have had some red flags raised over the summer when there was a lack of process around signing sponsorship deals.

Hon. Charles Sousa: There is ongoing analysis that we do. We're always trying to improve accountability, especially agency accountability. We've taken a number of steps, even through the Drummond recommendations and the analysis that he provided us. You're right in that we have identified that clearly in our last budget.

It's not just with FSCO, OLG and all the others that we do—even in the energy sector as well, and Service-Ontario and other items that we've reviewed.

To your point specifically, I'll ask the deputy to respond.

Mr. Steve Orsini: Just to maybe add a few more points to the minister's comments. I will refer to the budget because it is an important policy statement from the government: page 143, about improving accountability. There is work going on. There always has been work going on in terms of how to improve accountability among all parts of government. Procurement is always an area that the government is strengthening and ensuring proper oversight of. There are other elements that each ministry goes through in terms of attestations, in terms of complying with internal rules about how parts of the system operate, how they report back to government, signing memorandums of understanding and agreements to ensure there's a clear exchange of financial information. There are a lot of different pieces. It's quite

complex. What the budget sets out is another redoubling of efforts to ensure that there are stronger systems in place on accountability measurements with our agency. That's work that is under way right now.

Ms. Catherine Fife: Can I assume that you've also done that with Infrastructure Ontario? It's the same protocol for reviewing and analyzing the profits and also the operational piece of Infrastructure Ontario?

Mr. Steve Orsini: Under the Ministry of Government Services—and they're better positioned to answer this question—there are requirements that all agencies have to follow, and there are standards in terms of procurement, in terms of operations and in terms of reporting that they need to follow. Those rules are reviewed on a regular basis.

Ms. Catherine Fife: On an annual basis?

Mr. Steve Orsini: On a regular basis.

Ms. Catherine Fife: On a regular basis. Okay.

Mr. Steve Orsini: And the budget announced another look in terms of agency accountability.

Ms. Catherine Fife: So you track those agencies through the budget process. But you don't do, for instance, a systems review to make sure that, for instance, MOUs are actually signed off?

Mr. Steve Orsini: There are internal reviews. The Ministry of Government Services is better positioned—they do track memorandums of understanding. There are internal audit functions that also provide regular internal audits of various agencies.

Ms. Catherine Fife: Okay, thank you. Speaking of agencies, with regard to the Ontario lottery group, when you net out the transition costs, how much will the government save by cancelling the SARP? We're well into the transition plan with the Slots at Racetracks Program. Do you have an assessment? You must have, actually, because it has been now a full year, some idea of the net transition costs around the SARP.

Hon. Charles Sousa: Yes, we have identified, and I think that was made clear, the amount by which the SARP was subsidizing the industry. We've taken into consideration the horse racing industry, the horse breeding industry and the dynamic economic benefit of that industry. We have the three-member panel looking and reviewing and providing recommendations as to what we should do to continue to support the industry, while at the same time reducing some of the costs that were going not directly to the horse racing industry but to others, which didn't provide net benefit to the economy, nor was it being reinvested in the industry.

That review is now under way. I think we can provide some of those numbers to you.

1720

Ms. Catherine Fife: That review was supposed to be happening over the summer, right? But now it's just recently started?

Hon. Charles Sousa: No, that review has been ongoing.

Go ahead.

Mr. Steve Orsini: Just on that, the minister referenced the three-person panel that's consulting with the industry. The Slots at Racetracks Program ended, and that resulted in a \$340-million reduction. What the government has done is it has provided transitional support, and that money over the next three years—I think it's to the tune of about \$60 million. As the industry comes back with a new plan on how they're going to ensure a more sustainable, vibrant horse racing industry, the panel is providing advice to government on how best to support the industry while at the same time ensuring that it better meets the demands in the marketplace.

What we've seen over the years is that because of demographics, wagering was declining, and there wasn't a strong industry voice to promote horse racing. That's one of the panel's objectives: ensure a vibrant industry, better integrated with the whole OLG modernization. That review is under way and will be reporting back shortly.

Ms. Catherine Fife: So you'll have the net transition costs at some point, the final numbers.

Hon. Charles Sousa: Oh, yes.

Ms. Catherine Fife: The minister mentioned that he had some economic analysis of the fallout of it. Do you factor in job losses in that equation? Because many jobs were lost when the revenue-sharing was pulled from the horse racing industry.

Hon. Charles Sousa: Well, the whole point of this transition is to ensure and safeguard the industry and those very jobs, as well as the tertiary jobs that come from the industry. The Premier and others have recognized the importance of this industry, and that's why we want to make sure it stays vibrant. But the system, the way it was, was actually in massive decline, and it was being supplemented by the slots. That wasn't a sustainable model.

What we're trying to do is find a way to make the industry sustainable, make sure those who are actually facilitating and working in that industry are supported. That's why this transitional panel has come into existence and that's why some of the recommendations are being adopted. That's how we're going to find the OLG transformation to the benefit of all Ontarians.

We know that the system, the way it was, wasn't affording the best ability to compete, and it was cannibalizing its industry, with only certain individuals netting the major benefit of those slots, and they weren't reinvesting into the system and into the industry. So we want to make certain that that is corrected and will be in a more sustained manner.

Ms. Catherine Fife: I think that we completely disagree on what your definition of the sustainability is with regard to that industry, but I do think that it is important for us to get to the numbers at some point, if only just to learn, when you do have revenue-sharing agreements with certain industries, who benefits and what are the trickle-down economics of that.

I'm just going to switch gears now to move on to pensions. Does this government support the concept of a pooled registered pension plan, PRPP?

Hon. Charles Sousa: We have identified that in the budget as additional opportunities for Ontarians to have other avenues to retirement savings.

Ms. Catherine Fife: Is that a yes?

Hon. Charles Sousa: That's a yes.

Ms. Catherine Fife: Okay. What is the provincial role in implementing PRPPs, and would provincial legislation be required to implement the concept?

Hon. Charles Sousa: We identified this in the budget, and I'll ask the deputy to interject.

Mr. Steve Orsini: The provinces play a major role in setting out the regulatory and legislative framework for PRPPs. The federal government does, but only for those sectors that it is responsible for that may not have defined benefit plans. So Ontario's legislative regulatory structure would represent the bulk of activity within the province and does require legislation and supporting regulation.

Ms. Catherine Fife: What would that legislation consist of? How would it work?

Mr. Steve Orsini: It would do a number of things. Right now, individual employers would set up their own defined contribution plan. A PRPP, a pooled registered pension plan, would move the onus from the individual company to set up a defined contribution plan to some financial intermediary running it for them. That takes a big burden off of small businesses that want to provide a defined contribution plan or want to convert their group RRSPs into a defined contribution plan because some other organization would then run it for them. You need the legislative structure to allow that to happen.

One of the big barriers that prevented it in the past was the Income Tax Act, which wouldn't allow that to happen. The federal government has made that change. That clears a barrier to creating these PRPPs, and now the province is in the position of consulting on that before introducing legislation.

Ms. Catherine Fife: You mentioned, Deputy, that there would have to be a financial mediator to oversee this. Who would sponsor it? Would it be insurance? Would it be banks? What is your vision?

Mr. Steve Orsini: That's one of the things that we would need to consult on. One of the things the province is looking into is, who certifies that financial intermediary? Is it an insurance company? Is it a bank? Really, the federal government currently does a lot of the regulatory oversight for those types of institutions, so one of the questions is, do we just piggyback on those federal definitions? That's something that we want to consider before advising the government on the course of action that the government may want to take.

Ms. Catherine Fife: Okay. So in this vision for a new pension plan, would all those who do not have workplace insurance be automatically enrolled, or do you see people potentially opting out?

Hon. Charles Sousa: Well, this is just further innovation in pension activities. There's a slew of choices that are available. Certainly the PRPP is one of the initiatives that is being brought forward. It's intended just to make it easier for more Ontarians to have more choices and more

ability to do the savings. We've identified very clearly that we are intending to move ahead with the regulatory changes to target those eligible from all the employer pension plans. I'll read it to you: "The government will also develop a framework for single-employer, target benefit plans, including funding rules, plan governance, the timing of the necessary benefit reductions, permitted benefit improvements, and notice to members and retired members." So it's something that we have intentions of moving forward on. We can certainly get back to you as those decisions are concluded.

Ms. Catherine Fife: Do you have a timeline? You've put it in this budget. Are you doing consultation? Is it another expert panel?

Hon. Charles Sousa: Well, those pension reforms are currently under way. Even CPP enhancement is something that we've been asking for as well.

Ms. Catherine Fife: That was my question. So you do support an enhancement of CPP?

Hon. Charles Sousa: We've asked for that in our previous budgets, and we're certainly moving—when we speak with the federal government, that is another feature that should be promoted.

Ms. Catherine Fife: What kind of enhancement?

Hon. Charles Sousa: Well, there are a number of them, and I guess that's the whole definition of CPP enhancement. We can debate what that may mean. What's necessary, though, is for us to provide greater retirement benefits for citizens of the province in whatever form is determined. But those discussions are ongoing.

Did you want to add something?

Mr. Steve Orsini: There's a number of proposals; a number of outside groups have raised some proposals as well. The federal and provincial finance ministers are reviewing those options.

Without getting into a lot of details—and I apologize, one is in terms of the replacement rate. Right now, it's 25% of the average industrial wage, roughly. So the question is, is it 25% of that amount, or do you increase it to 35%? Or do you increase the average industrial wage to one and a half times the average industrial wage?

1730

Those options are being considered among outside groups, among federal and provincial finance officials. I think, typically, December of every year, when the federal finance minister calls those meetings together, would be the earliest opportunity to have that next discussion.

Ms. Catherine Fife: Okay, thank you.

Just one final question. You've made an announcement today, and you're projecting a smaller deficit. A lot of the numbers that you've come out with in the last year have been predicated on one-time savings. In particular, I'm interested to know about the \$1.1 billion in banked sick days. The Minister of Education often gets up and says that we've already saved \$1.1 billion in banked sick days, in retirement gratuities, in the grandfathering of health benefits. The \$1.1 billion that is often referenced, is that not predicated on a 40-year career process? I mean, \$1.1 billion, is that the realized savings from Bill

115 to September 2013? Can you give me some clarity on that number, please?

Mr. Steve Orsini: Okay, I might have to call for reinforcements on this one, because there are accounting rules. Because a decision is made that ends those retirement gratuities, there's ongoing savings each year. But then because you're not having a liability that builds up over time, you recognize the benefit in the year you make the decision.

Ms. Catherine Fife: So this is projected, \$1.1 billion—

Hon. Charles Sousa: No, it's the net present value of the savings that's going to be accrued to taxpayers—

Ms. Catherine Fife: Over how long?

Hon. Charles Sousa: —because this is the taxpayers' amount that we are contributing to that pension. As a result of the reduction in that amount, we take the net present value of that contribution stream and factor it in as of now. So that's a legitimate savings that we in the province are not going to have to make.

Ms. Catherine Fife: Does this factor in some of the changes that you've already made with regard to sick days?

Mr. Steve Orsini: I'll just read it out to you. Public accounts has updated the number from \$1.1 billion to \$1.3 billion from "reducing liabilities carried by school boards for sick-day banking and retirement gratuities." So these are a recognized savings now because—

Ms. Catherine Fife: Because down the line you're going to be saving that money. People are not going to be using it.

Mr. Steve Orsini: You're not accruing those liabilities over time. Because you change it, it's crystalized at this time.

The Vice-Chair (Mr. Taras Natyshak): Thank you.

Ms. Catherine Fife: If those savings are realized—

The Vice-Chair (Mr. Taras Natyshak): Sorry, Ms. Fife, I have to cut you off. Time has run out.

Ms. Catherine Fife: That's too bad.

The Vice-Chair (Mr. Taras Natyshak): Over to the Liberals for 20 minutes.

Mr. Steven Del Duca: Twenty minutes. Thanks very much, Mr. Chair.

I wanted to begin this round of questioning by talking a little bit about the issue of fiscal accountability. I know you faced a lot of questions from the members from the PC caucus with respect to their storyline around debt and deficit issues. Earlier this week, yesterday in fact, we introduced the legislation around the position of the Financial Accountability Officer, which of course, is in keeping with the tradition of our government, going all the way back to our very first days in office post the 2003 election, when we introduced and passed the fiscal accountability act—which provided a level of disclosure and accountability around the province's books that, up until that point in time, we didn't have in the province of Ontario—so that going forward, future governments can no longer head into election campaigns, for example,

with massive hidden deficits that they lied to the people of Ontario about.

Minister, if I could ask you to speak a little bit with respect to what the role of the Financial Accountability Officer would be. If you could explain a little bit of that to us, that would be very helpful, I think.

Hon. Charles Sousa: Yes, and I appreciate the question. You're right in that, in 2004, we introduced a Fiscal Transparency and Accountability Act to ensure that there was integrity in the numbers that would be produced prior to an election, so that it was understood exactly where we stand. Of course, public accounts make it very clear where we stand today as we release things this afternoon.

Going forward, though—the Auditor General, of course, looks at this from a rear-view mirror. It's reviewed, assessed and determined as to what we've achieved.

The Financial Accountability Officer would be more forward-looking, and it builds upon that which we've now established as a precedent over the last number of years of trying to be more open and more transparent in the work we do. We, in fact, highlighted much of that in the budget, when we produced it last March.

Two days ago, we introduced the Financial Accountability Officer legislation, the bill, so that we can use him or her to facilitate and to provide even greater confidence to the people of Ontario of what those numbers mean. I welcome the opportunity in putting forward our budget, or our economic plan, in accordance with that officer, so that we all recognize that, when we talk about the out years especially, there's an understanding as to what it is that we're achieving and how we're going to get there, recognizing what we've done in terms of the scope and the projections by officials and by independent economists that we use in formulating the projections in the out years. Those are the most difficult to understand.

Now, the Financial Accountability Officer is also welcome in determining not only what we, as a government, are proposing in our budget, but also what we all may propose in our bills. So when a member decides to come forward with a private member's bill that has financial implications, well, it would be important for the Financial Accountability Officer to review and assess the impacts of what that is.

Or white papers, for example. Oftentimes you come out with—I've seen—outlandish proposals being put forward without real accountability with the financial numbers. Well, I think the Financial Accountability Officer should be called in to review that as well, so that the people of Ontario have access to information, and to be better informed.

When we look at the UK, when we look at Denmark, when we look at Australia, others that have incorporated a financial accountability officer or a function like it, the public are better informed and are able, then, to determine more effectively where it is we're going. In fact, Ontario is the only sub-national jurisdiction that I'm aware of that has incorporated this. Again, it provides

greater integrity and enables us to have greater confidence in terms of what it is that we're doing.

What I appreciate from this role is the forward-looking nature of that officer. The officer wouldn't be there to say yes or no to a proposal necessarily, but would be able to add input for the benefit of all members in making a decision as to what it is that we're doing, or what it is that someone else may be proposing in their bills.

Mr. Steven Del Duca: Thanks for that answer. Just to be clear on this point, though, to whom would the Financial Accountability Officer report?

Hon. Charles Sousa: The Financial Accountability Officer would report to the Legislative Assembly as an independent officer. They would provide independent analysis—upon the request, by the way, of any member or committee of the assembly.

The officer would be allowed, would be afforded, financial and economic information that is necessary in the performance of her or his mandate, so they would ask for and be able to obtain information that any member may have at hand.

That accountability officer would also report annually to the House in reporting of the mechanisms of this House, not just this government. It would be appointed by the Legislative Assembly. It doesn't report to the ministry or to the Premier. It would report to the Legislature.

The identification, the selection of that accountability officer will be done by way of an independent committee in the Legislature, including the Speaker of the House. They will determine, as we do with the Ombudsman as well as the Auditor General, in terms of remuneration and selection.

Mr. Steven Del Duca: Just to be clear, if I understood you correctly in the previous answer, as far as you know, Ontario is the only province in Canada that's proceeding with this kind of initiative.

Hon. Charles Sousa: Ontario is the only province in Canada that has a financial accountability officer. The only other government in Canada that has that is the Parliamentary Budget Officer by the federal government. 1740

Mr. Steven Del Duca: Okay, terrific. I just want to switch gears for a second and move away from the notion of the Fiscal Accountability Officer and talk a little bit about the importance of post-secondary education. If you can help provide the committee with a sense of what the government of Ontario is doing with respect to issues around access to post-secondary education, be it colleges, universities, apprenticeships, and talk a little bit about the importance of how that helps to provide a strong foundation for future economic growth, that would be helpful.

Hon. Charles Sousa: I appreciate the question because it is critical in terms of who we are as a province and how competitive we're going to become. The sectors of this province—be it in the trades, be it in financial institutions, be it in mining, be it in new manufacturing, be it in farming, for that matter—are asking and are looking for certain skills that aren't being nurtured to the

rate that we require. So they're looking at foreign markets to attract those skills from other parts of the world.

We must and need to continue to invest in those skills. Notwithstanding some of the calls by others to do across-the-board cuts and eliminate some of the very things that we're investing in, we've taken a strong stand in providing lower tuition rates at 30%. We're going to continue to provide for apprenticeship programs to entice more young people to those skills that are necessary. We're going to continue to find ways to legitimize and make those—those skills are marketable, and they have such a great degree of demand that many of those young people that are taking those courses are finding jobs almost immediately. So we need to ensure that we continue to invest in that area. Lower tuition rates is a program that we instituted that does cost the government money, but it also affords us greater prosperity in the long term.

We instituted a \$295-million youth jobs fund, again to help those young people get the skills they need with certain employers who can nurture them and provide those skills for the long-term benefit.

We have an entrepreneurship and innovation program for the youth there as well. In fact, I have young people on my economic advisory panel, and I'm so impressed with their ability to do and see things that normally we haven't been as attuned to. What I mean is, they don't look at borders as a barrier; they don't look at language as a barrier; they don't look at distance as a barrier; they don't look at currency as a barrier. What they look at is the ability to do business and attract those innovative ideas to promote their business. Some of them I have been working with have a great ability to mentor one another, and that mentorship program and that kind of activity is so powerful that we included that as part of our youth jobs program as well. If we're able to nurture and then leverage those partnerships, we find that we're able to even do more trade abroad.

That's another component of our six-point plan: the global market itself. So while Europe may find itself in a more constrained manner because of economic challenges, which has become evident, and their growth is not as extensive as we thought it would be, and while some of the Asian countries' growth is much higher than it is in Canada but lower than they anticipated, we have great potential still in emerging markets in South America, within our hemisphere. So let's look at those opportunities as well. We have certain skills and certain attractions in Ontario that are sought after. Some of those very markets are looking at Ontario for investment, and we want to be able to take advantage of those relationships and market ourselves to them. That's when we look at infrastructure projects that have been very successful in Ontario to enable us to go to those markets and do more construction there, for example, or find certain innovations in some technological advancements and use that to go to those markets.

But all of it is dependent upon us nurturing the talent, not so much the assembly line. It's more the talent. We

know that investment in the new manufacturing sectors and the new value-added innovations—that's what's going to make the difference, and that's what's going to be able to make the attraction of Ontario goods and supplies.

We will continue to nurture those trade initiatives—we have a number of them that are occurring in the coming year—and recognize that those relationships will matter, as well as investing in our skills, in our youth and in our programs that enable those skills to be filled.

Mr. Steven Del Duca: Terrific. Thanks very much. My colleague has—

Mrs. Amrit Mangat: Minister, my understanding is that you have been criss-crossing the province to undertake consultations when it comes to the jobs and growth plan. Can you share with the committee what kind of consultations you have been undertaking?

Hon. Charles Sousa: In developing the budget last spring, we did a number of pre-budget consultations. We had over 600,000 submissions come our way. In the consultations that the Standing Committee on Finance and Economic Affairs did, as well as myself in my capacity going around the province, all of us were able to obtain a number of ideas to enable us to prepare this budget.

But that's not where it ends. We know that it is a forecast and it is a budget, and it is always subject to change, so it's important for us to stay attuned to the realities of the marketplace. What we find in the consultations that we've been doing—and the Premier has been out doing her jobs and round-table discussions, and the Minister of Economic Development, Trade and Employment has also been out doing consultations.

I have now had the opportunity to go to Windsor, Belleville, Ottawa, Thunder Bay, Stratford, Cornwall—I'm losing sight now—Whitby and a number of other areas. We're making consultations in the north, in the southwest, in the southeast and, of course, in the GTA, GTHA and the Hamilton area, the Niagara area—I'll be there this week—Kitchener–Waterloo and London.

I've been working closely with the chambers of commerce across the province and businesses across the province, as well as stakeholders in the not-for-profit sector; that's the other, third tier in this equation. What I'm finding striking and common is the identification that there are gaps that are not being filled in those respective sectors in the way of skills. Everyone and every business—what matters more to them is having the minds and the abilities to get that job done, and from that comes a lot of other great things, including the ability to teach others to do the job.

That's why the apprenticeship program is so important in certain trades and certain sectors. It's why the mentorship program is important with the youth programs, and it's why, in certain companies and businesses, it's important for us to have and attract those appropriate skills, so that they can nurture and build upon the abilities of the company's programs.

Remember—and I said this earlier—that it is businesses, and small businesses especially, that create the jobs. When I'm out there talking to them, what they're looking for is not a handout from government. They're looking for the government to continue finding ways to reduce the barriers that hamper their growth. Right now, we have taken great strides in reducing those barriers, in promoting partnerships and in promoting incentives for those businesses to attract and build job growth.

We need to tackle and eliminate the deficit. That's a priority, and that's going to be instrumental in us having the ability to afford these programs and incentives, but they're intertwined. A priority has to be, in every decision that we make, does it help create a job in the private sector? If we make decisions that preclude that from occurring, then we're not doing justice to promoting economic growth.

As a result of the consultations that I have been having, I've compiled a number of great ideas that we can use in our fall economic statement going forward. There is untapped potential in many communities—in the rural communities, in the northern communities—that we still need to facilitate and to expand upon. There are certain commonalities in the things that I've learned during these consultations, but there are also some regional differences that we need to touch upon. Those things are being compiled and they'll be addressed in the economic update in the coming months.

Mrs. Amrit Mangat: During your consultations, did you hear something about poverty reduction as well, how we can reduce poverty?

Hon. Charles Sousa: There are certain areas of the province that have a much lower unemployment rate than others. There are certain areas of the province that have more need for social housing than others. There are certain areas of the province that have more social assistance requirements, especially in more populated urban centres, than they do in other areas. All of that is being addressed, and we've addressed some of that in our budget, as well, by the municipal uploads that we're doing and support systems through the Frances Lankin and Munir Sheikh report in terms of trying to find ways to put those people to work or facilitate social assistance programs, or restructuring them, to enable them to succeed.

Mrs. Amrit Mangat: So what is your action plan going forward?

Hon. Charles Sousa: There's a six-point plan that we've identified. It's on page 17 of the budget. It's Ontario's Economic Plan for Jobs and Growth. It talks about how to maintain a competitive business climate by way of maintaining our tax rates at an effective rate and also maintaining regulation at a point where we safeguard our environment and we safeguard our individuals, but we promote business.

There's also the idea of continuing to invest in modern infrastructure—in transit, roads, schools and hospitals. These are key foundations to a productive economy. There is, of course, the area of investing in a highly

skilled workforce. Investing in skills and education, as well as youth employment programs, will ensure that we have greater prosperity going forward, and it's essential in the work we do.

With that, there's also a fourth point about promoting entrepreneurship and innovation. We spoke a little bit about that already, but we know that is a key for businesses to not only succeed, but to be more competitive in narrowing the productivity gap.

A fifth point here is going global. Now, I don't say that flippantly. We have such a diverse population of languages and of cultures that we have an ability to nurture those partnerships and relationships everywhere around the globe. And if we can take advantage of that, we can have even greater success.

So as a result, we're doing a lot of work—

The Vice-Chair (Mr. Taras Natyshak): Thank you, Mr. Sousa. Thank you very much, Minister. I apologize for cutting you off, but we are out of time, and I believe we have consensus through the members to adjourn for the evening.

I want to thank you very much, Minister Sousa, Deputy Minister Orsini and your staff, for assisting us today here at estimates. We will see you again tomorrow at 3:45, or after routine proceedings, in room 151.

With that, if there is nothing else from committee members—very good—we'll adjourn the committee. Thank you.

The committee adjourned at 1754.

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Mercredi 11 septembre 2013

**Standing Committee on
Estimates**

Ministry of Finance

**Comité permanent des
budgets des dépenses**

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STANDING COMMITTEE ON ESTIMATES

Wednesday 11 September 2013

COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Mercredi 11 septembre 2013

The committee met at 1627 in room 151.

MINISTRY OF FINANCE

The Vice-Chair (Mr. Taras Natyshak): Welcome back, colleagues. Welcome back, Minister Sousa as well as Deputy Minister Orsini. Thank you very much for appearing before us once again. When we left off yesterday, it was the turn of the PCs for a 20-minute rotation. I'll now hand it over to Mr. Harris.

Mr. Michael Harris: Thank you, Chair. Good afternoon, Minister. Welcome back.

Hon. Charles Sousa: Thank you.

Mr. Michael Harris: I want to talk about new user fees. I know you've got actually a long list of them that were approved here or were put into place, but more specifically, the ones that were approved in principle. There's three in particular: Drive Clean, GeoPortal licensing and key performance indicators at private colleges. Minister, why were these approved in principle?

Hon. Charles Sousa: You make reference to a number of revenue tools, user fees. I'll get back to you on the specific ones that you've mentioned. As I mentioned earlier in my opening statement, a lot of proposals come our way, but not all of them are accepted.

Mr. Michael Harris: Was it, of course, to generate surplus funds by raising some of these fees, specifically Drive Clean?

Hon. Charles Sousa: Well, some of them haven't changed in over 15 years. There are a number of fees that government provides, but the only fees that, once they're increased—they're there to recover costs.

Mr. Michael Harris: Specifically Drive Clean, I'm not sure, and I wonder if you can explain to us why that specific program was targeted. Was it because you thought perhaps Ontarians wouldn't notice—it was an easy fee to increase?

Hon. Charles Sousa: I'm just trying to verify what changes occurred. Deputy?

Mr. Steve Orsini: Yes, let me just speak generally, then; on the specific ones, we'll have to ask officials to come to speak to those items.

One of the things that the former Auditor General in one of his reports was looking at was cost recovery of services provided to businesses or individuals and, as a policy, stressing the need to have some type of cost recovery. It's still a decision of the government as to

whether or not something is changed. We know that the government has not adopted all the proposals that may have been brought forward to be fully cost recovery.

Don Drummond, in his report—the commission also looked at the issue of cost recovery and recommended that the government should look for cost recovery where possible. Again, it's a government decision whether the government does or not, but as a matter of principle, both the Auditor General and the commission advised on ensuring that the service level and the cost in providing that service are matched with the fees associated with that.

On the specific ones you're referring to, we'll have to ask officials to come up and talk about those particular ones.

Mr. Michael Harris: Well, you mentioned cost recovery. Of course, I'm not sure if you're aware, but, Minister, were you aware that Drive Clean was actually running a surplus?

Hon. Charles Sousa: Say again?

Mr. Michael Harris: You talk about cost recovery and fees, but were you aware, or are you aware, that the Drive Clean program was actually running a surplus?

Hon. Charles Sousa: Well, we know that, as mentioned, the Drummond report and the Auditor General have both recommended to index the fees to inflation plus and/or cost recovery of those initiatives. But I'll get my officials up here to determine exactly the status of Drive Clean, if that's what you're asking, in terms of its positioning right now.

Mr. Michael Harris: Well, I'm just wondering—

Hon. Charles Sousa: So we've got Greg up here who can clarify that position.

Mr. Michael Harris: My question to you, Minister, was on the fees that were actually approved in principle pertaining to Drive Clean. You talk about cost recovery, but it, in fact, was actually running a surplus of \$11 million. Then you were proposing to actually hike that even further. I'm not sure if you remember what the Auditor General—

Hon. Charles Sousa: You're confusing matters somewhat because you're suggesting things have been approved or decided upon, and, as I said at the outset, proposals are made and analyses are made. Those recommendations or proposals are then brought up to us for review. At that point, we make those decisions.

At this point, I'll ask Greg to determine as to where we stand.

Mr. Greg Orensak: Greg Orensak, Associate Deputy Minister of Finance.

Mr. Harris, you've raised the question of Drive Clean in particular, and maybe I can give you a little bit of background and context on that particular program.

The Ministry of Environment is responsible for administering the Drive Clean program, and they monitor the costs associated with delivering the program, as well as the cost recovery ratios. They may adjust fees to make sure that those are consistent over time.

I think, in terms of the Drive Clean program in particular, there was a proposal in the 2012 budget to look at converting Drive Clean to a slightly different delivery model by a delegated administrative authority. I think there was legislation that was proposed before the House to facilitate that, but that legislation was struck down as part of consideration of the 2012 budget bill.

So as part of moving the administration of the program to a delegated administrative authority, the government planned to adjust fees because it would have been collected through that other authority, as opposed to government. With those legislative amendments not having been passed, the government needed to continue to administer the program, so I think there were adjustments that were proposed by the ministry for the government to continue to collect those fees. There were no changes proposed in the fees, but we were just catching up to what the ministry thought they were going to be able to do versus what actually ended up happening.

Mr. Michael Harris: Right. Thanks. I guess what I'm trying to say—and I kind of flash back to those commercials where the credit card companies have got their hands in your pockets, and it seems awfully familiar with this government. I've heard from over 10,000 people on Drive Clean.

You say that it's a cost recovery program, but yet it ran a surplus of \$11 million. Where did that \$11 million go, Minister? And why was there a proposal, then, to increase that by another \$18 million to \$30 million?

Hon. Charles Sousa: Mr. Harris, it's interesting that—and, again, I caution the way we ask these questions, because you're suggesting on the one hand that we adopt certain recommendations brought forward by Don Drummond and others, and yet now you're suggesting that those shouldn't be done. But of course, we, as a province, have to take into consideration all of the recommendations that are brought forward. We then make appropriate decisions, and the decisions on the administration and the increase of that program did not occur.

Mr. Michael Harris: So I'm just asking—we'll go back, then, to the Auditor General. He talked about the \$11-million surplus in Drive Clean. That's not cost recovery. Where did the \$11 million go? What did you spend it on?

Hon. Charles Sousa: And the Auditor General also recommended to index these fees and to increase them. Again, we chose not to do so.

Greg, if you just want to confirm which ministry in which it is covered, and we'll go from there.

Mr. Greg Orensak: Yes, so it's a program that is administered by the Ministry of the Environment, and they are responsible for the fees, so they would be in a position to provide additional information about that.

Mr. Michael Harris: I don't know if one of your deputies can explain what the surplus of \$11 million for Drive Clean was used for. What was it used for?

Hon. Charles Sousa: Mr. Harris, as we just noted, you're probably best to ask that minister and that ministry.

Mr. Michael Harris: Because you do know that it is illegal to collect more revenue than is spent to operate the actual Drive Clean program. You do realize that, right?

Hon. Charles Sousa: We will have to ask the minister and the ministry as to what determinations they have done and where the money was spent.

Mr. Michael Harris: So, will you actually be listening to the Auditor General, or will you simply continue to forge ahead with some of these proposed fees that—

Hon. Charles Sousa: Mr. Harris, you're speculating on something that hasn't happened and that did not occur. The question is, where did the money go and what was it used for, and I again suggest to you that you speak to the minister and the ministry that are managing the file.

Mr. Michael Harris: So, if the government isn't proposing to proceed with that, why did they approve it in principle?

Hon. Charles Sousa: Again, I cautioned this committee at the very outset: We do obviously want recommendations, analysis and proposals to be made. We do not want to curb any of the activities that the bureaucracy makes in determining what it is this government should be aware of, nor do we want them to stop advising us of potential risks and potential options.

As it relates to the issues that you speak of, those are items that are brought forward, and they are deliberated, and then they come—eventually—up to the ministry for some decision-making. We decided not to proceed in the capacity you have just said.

Mr. Michael Harris: When those proposed fee hikes were proposed, did you not inform the ministry of the Auditor General's report in terms of not increasing those fees?

Hon. Charles Sousa: Mr. Harris, I would talk to the minister affected and the one that's managing that file.

Mr. Michael Harris: That ministry said in June that it would be working with your ministry, actually, to discuss those options about a possible fee decrease. Have you had any discussions with that minister or ministry, and are you working on any fee decreases for Drive Clean?

Hon. Charles Sousa: We have ongoing discussions between our officials, if I'm not mistaken. When they percolate up, that's when the discussions are had with the various ministers, but if you can just comment, Deputy, as to how that proceeded?

Mr. Greg Orensak: As part of normal course—and I think you're referring to the Auditor General's report from 2009, I believe, where the auditor looked at fees

and made some recommendations, including the ones that the minister referred to. I believe, and I don't have the auditor's report in front of me, that the ministry accepted the Auditor General's recommendations, and it provided some commitment for next steps and following up. Those questions are appropriately put to the ministry.

In terms of fee changes in general, ministries are responsible for administering those programs, and they are in a position to bring those fee changes forward for consideration by the government. That ministry, as I think it said in response to that report, is acting on those recommendations.

Mr. Michael Harris: Yes. I guess I'll go back to the fee. That was the actual Auditor General report from last year. The recommendations—the proposed ones, or approved in principle—were approved. I guess, again, I'll question you: Did you not take into consideration the advice of the Auditor General when proposing? I know they were approved in principle by cabinet, but did you not take into consideration the Auditor General's recommendations pertaining to the fee increase associated with Drive Clean, at all? Did anybody? Did they just—

Hon. Charles Sousa: You're making reference to a number of proposals, options and analyses, but what you're not asking is what was approved by the government. That is what was done, not what you've suggested. We have ongoing deliberations, as it should be. Ultimately, we make a decision, and the decision that was made didn't include what you have just talked about.

Mr. Michael Harris: All right, so I'll leave that part of it, but I'm curious about the \$11-million surplus. Where did it go? What did you spend it on?

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Hon. Charles Sousa: I've already told you; you have to speak with the minister in the ministry that's administering that file.

Mr. Michael Harris: But it all goes into kind of one bucket, right? You're ultimately responsible—

Hon. Charles Sousa: Mr. Harris, obviously the ministry has incurred some degree of operations around the issue; you'll have to ask them.

Mr. Michael Harris: I'm just curious on how long actually your ministry has collected. We see an \$11-million surplus on Drive Clean. I think Ontarians are being gouged every month when they go to renew their licences. You're forcing them to actually take these absurd tests that have clearly outlived their usefulness one, two or three times in that case. They're sick and tired of it. You've run an \$11-million surplus. I think it's fair for you to tell us where that money was spent. And if you can't, when will you decrease it? That's my next question.

Hon. Charles Sousa: I kind of have to reject the premise of your question. What we have is a Ministry of the Environment administering a situation that's critical to the well-being of the province and of our environment, no less. They want to ensure that operations of vehicles that are old are appropriately in safe condition and cer-

tainly are accommodating the very nature and protection of the consumer and of the communities. It's a safety issue.

If you're opposing that, fine, but we have to continue to safeguard the communities and safeguard the streets, the roads and the operations of those vehicles. But at the same time we have to protect the consumer. As a result, decisions that you're suggesting by the ministry didn't occur. I suggest to you to talk to the ministry to determine where the funding and the operations continue, but if I'm not mistaken there are needs and requirements for that program that are incurring costs.

But also, you have to recognize that this isn't something that has happened recently; it's something that has been ongoing for some time. And recommendations made by the very individual that you're advocating for us to adopt in their entirety suggested that we do this. We chose not to. The same goes for the Auditor General. We make decisions based on the information that's provided. In this case we continue to support the consumer and continue to support the environment by protecting the safety of those roads.

Mr. Michael Harris: We just hear that you're always in Ontarians' pockets: new user fees—there's a massive list of these—Drive Clean. You're running an \$11-million surplus on what should be a cost recovery program. Where did you spend the \$11 million? In June, I asked your environment minister about this and he said he would be working with your ministry. I'm not sure that the bureaucrats can actually explain to us if in fact the environment ministry has been in touch with you pertaining to this situation, and when will the decrease for Ontario consumers—you're talking about protecting consumers, but with an \$11-million surplus to run a cost-recovery program, I don't see that protecting consumers at all. When will you be bringing in a decrease? Your own environment minister said he'd be working with the Ministry of Finance. Has that happened? When will Ontarians see a decrease in Drive Clean fees?

Hon. Charles Sousa: Now you're advocating not to adopt the recommendations made by Drummond? I just want to be clear on that issue, because this is one of his recommendations as well. It's good that you're flipping on that one also. In the meantime, we will continue, based upon what you've just stated, to review the status of these programs to the best benefit of the consumer. Certainly, there are still certain operations and certain vehicles that need to be administered.

Mr. Michael Harris: I don't know if you can explain again about the bureaucrats that you've worked with at the Ministry of the Environment on decreasing the fee and where the surplus of \$11 million went. We said we would scrap Drive Clean altogether, so I just want that to get on the record, first off. We feel it has outlived its usefulness. But again, you're charging Ontarians \$11 million more than what you should be charging them in terms of the cost recovery. There was a proposal to increase it even by more: \$30 million. Again, have you

had discussions with the Ministry of the Environment to decrease the fee?

Hon. Charles Sousa: To you, Deputy.

Mr. Steve Orsini: I think that ministries—and it's not just unique to the Ministry of the Environment but right across the system—are working on policy issues all the time. It's each ministry that will decide if and when, and they consult with the Ministry of Finance. It's not unique to that ministry, but all ministries do. At the time that the ministry is prepared to decide on what policies and what changes to bring forward—only that ministry is in a position to comment on that. I think the minister's point about having questions directed to the Ministry of the Environment is an appropriate course.

Mr. Michael Harris: We don't have him before estimates, of course, and I did ask him that in June. He said he'd be working with the Ministry of Finance. So that's why I felt it was relevant today.

Also, looking at the Auditor General's statements on the \$11-million surplus, putting the government basically on notice that that basically is illegal to do—it's an illegal tax. Where did it go and when will you decrease it? That's basically what was my question.

Hon. Charles Sousa: Mr. Harris, the Minister of the Environment, that ministry, is the best place to go, and we'll endeavour to find that out.

Mr. Michael Harris: All right. Thank you.

Mr. Rob Leone: Minister, I want to ask more about your plans, or lack thereof, to get the province back on balance. One of the things that I know was contemplated in the 2012 budget was wage restraint and a wage freeze, but time after time, we continue to hear that your government is engaged in actually increasing the envelope of compensation to these groups. So have you abandoned a wage freeze as part of your plan to get the province to balance?

Hon. Charles Sousa: No. We're continuing to advocate for wage constraint, recognizing the challenging times that are before us. We're working closely with the stakeholders involved to administer negotiations within the pay envelope that we now have.

Mr. Rob Leone: Yeah, but we hear things like the LCBO compensation package increasing. It's not uncommon that we pick up the news, once a week, once a month, where we see another government group getting another settlement to increase their salaries and compensation.

At the end of the day, that is part of the plan to get the province to balance, and—

Interjections.

Mr. Rob Leone: They're your colleagues that are talking; they're not mine. If they continue to do that, they're taking my time.

But you continue to actually promote this idea of wage constraint, but we don't see the evidence of that. So can you point to the evidence of where you are actually restraining and having a wage freeze and whether you actually plan on continuing it for how long? Is it two years? Is it beyond two years? Because that's essential to

getting the province and the books to balance. So where are you in wage restraint?

The Vice-Chair (Mr. Taras Natyshak): One minute left.

Hon. Charles Sousa: I appreciate the question, and it's something that we're continuing to work with closely with the parties involved in a more collaborative approach so that we can ensure success. If you look on page 126 of the budget, we very much highlight specifically the performance of the Ontario public sector negotiations versus the Ontario private sector, Ontario municipalities and the federal public sector, in which Ontario is almost at zero compared to the rest in terms of average annual base wage increases.

So we have done a lot of work to control those wages; we've done a lot of work since then to continue to negotiate effectively. When you talk about the LCBO and others, they did it within the envelope, so it didn't affect the overall dividend to the province. It's still within the envelope that we've established for them. More importantly, it's enabled us to have some tremendous success with cutting our spending since the previous years.

Mr. Rob Leone: Do we know if that envelope is bigger or smaller than—

The Vice-Chair (Mr. Taras Natyshak): Thank you very much, Minister. We will move now to the NDP for 20 minutes. Ms. Fife.

Ms. Catherine Fife: Thank you very much, and welcome back. We are going to be talking at length today about auto insurance. I know it's everybody's favourite topic. So maybe Phil might like to come up, because there are some detailed questions that we're hoping to follow up with based on what was in the budget.

Minister, we were surprised about your announcement on August 23 that the new return on equity for auto insurance would be 11%. You had indicated in question period late last spring that there would be a 25% reduction in the rate, from 12% to 9%. Can you explain why you changed your mind and any details pertaining to that change in number?

Hon. Charles Sousa: We are reducing the ROE; we are taking a rolling average to get it done. Actually, the effect of the ROE is much lower than that still. It is under review, and if I could pass it on for clarification.

Mr. Phil Howell: I think it might be useful to provide the appropriate context here. The minister did make that statement in the House, and the minister has gazetted a policy statement—which I know you've seen—more recently, in August, and in that directed us, or asked FSCO, to take a look at the ROE.

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The roots of the ROE review actually go back to a recommendation coming out of the Auditor General's 2011 report, when the then auditor suggested that we take a look at the ROE benchmark that we use in the rate approval process. In approving rates—and this is all laid out in the Insurance Act—we have a responsibility to

ensure that the approved rates are sufficient to not impair the solvency of companies. Consequently—

Ms. Catherine Fife: But on that same point, though, doesn't an 11% ROE make it more difficult for you to achieve the 15% premium reduction? You don't think so?

Mr. Phil Howell: The two aren't connected. The ROE is an integral element: Some return on the equity capital invested by shareholders of insurance companies into the auto insurance line is required. To do that, we have benchmarks. The benchmark that had been used prior to currently was 12%; it is now 11%.

Coming out of the study that followed from the Auditor General's recommendation that we review the ROE benchmark, we have—and the study which was delivered to me in late June, the new benchmark and the methodology that has been put in place to establish the ROE annually is all laid out on our website, and anyone can get it.

Ms. Catherine Fife: I've seen it on the website, actually, but if you can't push the return on equity down past 11%, I think that that does place a barrier for you to actually reach the 15%.

Mr. Phil Howell: Sure.

Ms. Catherine Fife: It does call into question—if you're using those numbers, is the 15% reduction in auto insurance even possible? You did reference the AG, which is good, but the return-on-equity benchmark has been historically linked to the rate offered by long-term government bonds, so there is a history here.

Mr. Phil Howell: No.

Ms. Catherine Fife: No, that's what the AG said in his report. You say “no,” but the AG said “yes” when he looked at the issue. That's far lower than an 11% rate. There's your answer, and then there's the political question.

Hon. Charles Sousa: I think it's appropriate for us to actually explain what the ROE is and what the actual numbers are that are being established right now.

Mr. Phil Howell: First of all, I do want to address the statement in the auditor's 2011 report, in which he gave as a rationale for looking at an appropriate benchmark the fact that long-term bond rates and long-term government rates were much lower in 2011 than they were in 1996, the last time that the ROE benchmark was reviewed.

That is not to say that the ROE benchmark was ever based on long-term government bond rates. It's not, and it would be completely inappropriate to do that, given that, in Ontario, insurance is provided by private companies. Their cost of capital is quite a bit higher than the cost of capital for a government.

Ms. Catherine Fife: So you fundamentally disagree with what the AG said in his report on that one piece—

Hon. Charles Sousa: No, that's not what—

Mr. Phil Howell: I didn't disagree—sorry, Minister.

Hon. Charles Sousa: The AG made reference to the existence of the yields on current bonds and made a comparison, but it's not the basis by which FSCO is making their determination.

But it's interesting to note that the actual ROE that's being achieved by these very companies is not 11% or 12%. It's under 10%; it's around 5% or 6%, if I'm not mistaken.

Mr. Phil Howell: On average, over the past several years, it would be well below 10%. Again, the ROE benchmark that's used as a cost of capital—remember, another obligation for the superintendent under the act is to ensure the long-term solvency of the companies. In other words, rates cannot be established that will impair—

Ms. Catherine Fife: The profitability of the company. Yes, I get that.

Mr. Phil Howell: —the ability of the company to continue. Obviously, if you don't—

Ms. Catherine Fife: I don't think that's in question here, quite honestly, in the province of Ontario.

Mr. Phil Howell: No, but if you don't have a return on capital or if you don't have a benchmark—if you don't incorporate that return on capital into the rate approval process, you can't do that.

Hon. Charles Sousa: But let's clarify the premise of your question. The point is, we're going to continue to review ways to reduce the ROE benchmark used in this rate approval process and consider ways to make the benchmark more transparent to consumers. That's how it's outlined in our policy statement. It's not a static number; we are continuing to look at ways to facilitate the passage of those savings to consumers and lower the overall premiums.

Ms. Catherine Fife: Okay, so it's a bit of a moving target—

Hon. Charles Sousa: So it's not a done deal; it's something that we're continuing to look at reducing.

Pardon me?

Ms. Catherine Fife: It's a bit of a moving target, then, that ROE, because you—

Hon. Charles Sousa: And it should be, because the environment is also a moving target. We're within an economic situation where rates, at this point, are very low, so it's probably something appropriately done, to reduce. But if things change and rates go up to 25%, again we have to take into consideration what that rate should be.

Ms. Catherine Fife: Well, it hasn't been a moving target that has served the people of the province very well in this particular industry.

I just want to move on, then: same statement, obviously, but in terms of some of the other issues you list in your policy statement from August 23.

Let's start with the independent experts, for instance. These experts were supposed to look at whether industry savings are being passed on to drivers. What is the status of those independent experts? I personally, actually, would have thought that you would have appointed them as soon as the budget bill was put in place. I mean, we are looking for a 15% reduction in auto insurance. Can you give us an update on those experts, please?

Hon. Charles Sousa: Yes, I'll pass this to the deputy. We're working on that now. Go ahead.

Mr. Steve Orsini: The policy statement did make reference to that. One of the things that the ministry is currently doing is going through a procurement exercise to ensure that we have independent experts in the field that the government can appoint to provide that advice, not only on whether the savings are being passed through, but also ensuring that all sufficient tools are in place to reduce costs, because the strategy is to get costs down and have the savings passed through so that average premiums can decline. The government wanted to ensure that all sufficient tools or mechanisms are in place to bring those costs down. They're going to be providing advice on that as well.

Ms. Catherine Fife: You said that there's a procurement process for experts?

Mr. Steve Orsini: Yes. As part of ensuring independent experts, we need to recruit for those skills in individuals: make sure they don't have a conflict of interest, that they're independent, that they bring the right set of skills to this issue.

Ms. Catherine Fife: So far, it has been five months since the budget passed. Are you close to finding some experts on this issue?

Mr. Steve Orsini: We're going through the procurement process at this point, and we're hoping, if things work through, to have that group established in the fall.

Ms. Catherine Fife: It is the fall, so soon, then? This fall?

Mr. Steve Orsini: I'm not being that precise because I don't want to prejudge a process that has to follow each step of the way. It's not a straightforward—

Ms. Catherine Fife: Okay. But I'm sure that we'll be able to have access to who those experts are, right?

Mr. Steve Orsini: I would be surprised if they weren't going to talk to individual folks in terms of what issues and advice they would have.

Ms. Catherine Fife: Okay. So building on my previous questions, many actuaries that I've talked to—and I still am surprised to hear myself say that I do talk to actuaries—have claimed that insurance companies are artificially reducing their reported profits by pumping up their reserves. In other words, they are taking the savings from the benefit cutbacks and pumping up reserves as opposed to reducing premiums. Do you have a comment on that?

Hon. Charles Sousa: That's exactly why we're moving forward on the initiatives that we've taken: to ensure that FSCO and others have the oversight and the power to oversee the activities of these companies.

Ms. Catherine Fife: So when you say that that's exactly why you've given powers, do you mean that's exactly true? You think that this is a valid and true statement?

Hon. Charles Sousa: Oh, no. See, you're presuming—and maybe FSCO can respond to this properly, because that's the job of FSCO. Over to you.

1700

Mr. Phil Howell: Just to clarify, our job is not to audit insurance companies, and that's where the reserves are reflected. But the reserving processes and procedures that an insurance company will undertake will reflect what their external auditors require. They'll also reflect the opinion of each company's appointed actuary. Under the act, all insurance companies have appointed actuaries.

Appointed actuaries don't just glibly reserve to under-report profits. The reason that they're reserving is that they're following their own very high standards of conduct that are set by the CIA—not the Central Intelligence Agency but the Canadian Institute of Actuaries—and the reserving decisions that are made by companies will reflect advice from both the actuaries and the requirements that their external auditors will require in order to approve their financial statements.

I will say that in an environment where there is uncertainty about claims costs because of uncertainty around the parameters of the product, there is likely to be a situation in which reserves will be higher than they would be otherwise simply because there is greater uncertainty in the system. And remember, the whole process of both rate approval and filing for rates from the company side is based on an assessment of future costs and where those costs are going.

Ms. Catherine Fife: And I appreciate the clarification that it's not FSCO's job to audit auto insurance companies. I understand that.

I also want to point out that not—and I don't want to put words in your mouth either, but you have responded strongly to some of the information out there in the insurance field that profits are being pumped back into reserves. Perhaps it's a matter of clarity, because there are a lot of grey areas, and not all insurance companies do this. But somebody has to be watching the insurance industry, and you have given new powers to FSCO to examine rate applications. Does FSCO now have the power to question this practice? That's a valid question.

Hon. Charles Sousa: Yes, that's a very valid question. To supplement some of the work that FSCO is doing, it's one of the reasons why we've retained an independent expert panel to provide greater transparency and accountability. It states right here in the policy, to "report on ... the effectiveness of the" auto insurance "marketplace in providing affordable premiums to consumers," to assess, specifically, what is happening in the marketplace. But I think it's appropriate that we have clarity as to what happens when an application comes our way and how it proceeds.

Mr. Phil Howell: Again, to be clear, we've always had the ability and always have, in the process of reviewing a rate application, discussed—because we have our own actuaries too, and they will discuss—

Ms. Catherine Fife: Everybody should have their own actuary.

Mr. Phil Howell: They should. And they definitely will discuss the assumptions that the company makes and will arrive at determinations in terms of a rate approval

process, whether those assumptions are legitimate. We won't approve rates if the sort of behaviour that you were suggesting some of your actuarial friends have said is happening is going on, if those aren't legitimate.

Now, what we didn't have before the budget bill, and for which I am very thankful that the bill passed and the government gave us the power to do, was to require companies to come in and file, to make a major filing. While we—

Ms. Catherine Fife: So now they have to come in and they have to seek the rate—

Mr. Phil Howell: While we've always had the ability, when they do file, to be able to question those assumptions, what we didn't have—

Ms. Catherine Fife: And are you tracking that?

Mr. Phil Howell:—until the recent budget bill, until the orders that I issued on August 23 to call companies in, was the ability to get in and actually see the books.

Ms. Catherine Fife: You understand the concern out there, though, right? This is more than a public relations exercise. If some auto insurance companies are pumping up their reserves, then indirectly they're making the case, and they can still make the case, to FSCO that they don't have the room to decrease premiums.

Hon. Charles Sousa: You're making some serious allegations here, and I think we need to provide some clarity as to the position that FSCO takes and the government when it comes to some of these private companies. I think the deputy may want to step in.

Ms. Catherine Fife: I'm not making allegations.

Hon. Charles Sousa: Yes, you are.

Ms. Catherine Fife: No, I'm not making allegations. I'm making the allegation that you don't have an expert panel when you just referenced that you did. You said your expert panel is looking at this when they're not, because you don't have it.

Mr. Phil Howell: I think it's very, very important to not confuse a whole bunch of things here. FSCO is an arm's-length financial services regulator. Part of that responsibility is approving insurance rates in this province. That responsibility is governed by our enabling legislation.

The expert panel that's being talked about here is not someone that is going to come in and in any way meddle or interfere with the rate approval process. The expert panel is presumably—it's a government initiative—going to provide some assurance that the process that we follow at FSCO under our legislation—and I can absolutely assure you that it's extremely rigorous and it's undertaken by very highly skilled professionals, by actuaries. Our whole rate application analysis team will generate rates that are fair in the context of the current environment, and they will clearly reflect the fact that there have been some savings coming from the 2010 reforms.

Ms. Catherine Fife: There are a lot of questions out there around the role of FSCO with regard to the way that they deal with insurance companies and how rates are set. So I hope that the expert panel moves towards

creating some parameters and a framework that's clear to everybody.

But it goes without saying that FSCO is going to have to be far tougher on many of the insurer practices, especially with regard to reserves, if we're going to get the premiums down by 15%.

Hon. Charles Sousa: I'm going to ask the deputy to step in on that in regard to—you've mentioned the reserves numerous times, and I just want some clarity.

Mr. Steve Orsini: No one could draw the conclusion here that we would concur with the premise that has been raised about how companies are treating those reserves. I don't think that would be fair; they operate with certain standards.

We have a process in place. FSCO has its legislative regulatory authorities of how it conducts its review. As the superintendent has mentioned, they follow that rigorously.

Because this is an important public policy issue, the government has appointed, or will be appointing in the near future, an expert panel to provide advice on a number of things: Are savings being passed through to ensure that the reforms that are being made are passed through to consumers as quickly as possible? In addition, whether or not additional tools or mechanisms are needed to reduce costs: That's an important other element because it's a dynamic environment and it's a dynamic industry. It's crucial that the government has all the tools and mechanisms it needs to reduce costs passed on to consumers so that premiums, on average, fall by 15%.

Ms. Catherine Fife: Perhaps in the next cycle I'll get a chance to talk about those tools and mechanisms.

The Vice-Chair (Mr. Taras Natyshak): Thank you very much. That ends that round.

We'll now move to the Liberal members. Mr. Del Duca, 20 minutes.

Mr. Steven Del Duca: It's 20 minutes, Mr. Chair?

The Vice-Chair (Mr. Taras Natyshak): It is 20 minutes.

Mr. Steven Del Duca: Thanks very much. Minister, good to see you again here at this committee this afternoon.

I wanted to pick up one of the threads that I had discussed with you yesterday at committee, and it was your answers in response to what budget 2013 and what the Ontario Liberal government is doing with respect to supporting municipalities. In particular, yesterday, I had asked you to highlight or emphasize what we're doing to assist northern and rural communities.

We did hear your answer yesterday, but today I wanted to delve a little bit further into some of that stuff and ask you specifically about changes that are contemplated with respect to the Ontario Municipal Partnership Fund, the OMPF. I'm wondering if you can provide the committee with some more information about what the government envisions taking place with respect to this particular fund.

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Hon. Charles Sousa: As you know, over the course of a few years now, we've identified the OMPF funding to be reduced—being offset, mind you, by increases in other programs to the municipalities. The idea is to try to provide more equity and more stability in terms of where that fund will be on an ongoing basis. It also equals out the playing field, because there are a number of municipalities that have already been reduced and some others have not. In fact, that's what just happened a month or so ago with the changes that I advised the GTA and Toronto with, as well as some of the other municipalities that are being affected. That has all been known and was all recognized. We're reducing it next year. Then it's going to be a stable funding thereafter, after a three-year period. But what is important is, there are other programs, because we're uploading more, so the net benefit to those municipalities is going to be greater than what it is today.

The municipalities, AMO and others that we have had discussions with in regard to this have come to the understanding as to where we're going, and they're fully aware as to the outcomes.

It's important to continue on with the collaborative approach with the municipalities to assure—and what they're looking for is, they want determination; they want consistency. They want assurances that the funding is there on an ongoing basis, and that's what we've established with OMPF.

Mr. Steven Del Duca: Thanks very much for that answer. Moving away from a discussion about what's taking place with respect to municipalities, I wanted to talk a little bit about one specific industry or sector. I'm wondering if you can provide us with some information about what the government is doing to help support Ontario's domestic wine and craft beer industries.

Hon. Charles Sousa: As you know, one of the benefits of the LCBO is its ability to distribute local brands of both local wines and local brew. We've expanded some of our distribution of the LCBO as well as some boutique stores to accommodate local wineries. Had it not been for some of the initiatives that were brought forward by the LCBO, we wouldn't be able to have the dynamic and vibrant wine industry that we now have in Niagara and in the western part of the province, in the southwest.

All of this is important for us. The VQA and the other opportunities that come from the industry enable us to have a more vibrant selection. Certainly, we want to be able to accommodate a greater trade into the other provinces and other jurisdictions around the world. Icewines have become very popular throughout the world as a result of some of the initiatives that we've taken.

Mr. Steven Del Duca: Thanks very much for that answer. One of the things that we've heard here in the Legislature—and in my previous life, I had heard a lot of discussion around the impact of what we call the underground economy and how it's impacting what's taking place in Ontario. I'm wondering if you can pro-

vide the committee with a little bit of information or elaborate on what the government is doing in order to move this issue forward and address the underground economy.

Hon. Charles Sousa: It's a critical issue. A couple of things that the government took to combat some of the underground economy and some of the problems it has—even with those most vulnerable who are working in the underground economy. It's not just those who are profiting from dealing in cash; it's also employees and others who are working for those employers in an underground economy who aren't protected by way of WSIB and other means of protection and pension and so forth. These are critical issues of safety as well as economic well-being for the province.

A couple of steps have been taken. One major step to combat the underground economy was the introduction of the HST, in that these companies that want to provide in cash won't benefit now from the flow-throughs of exemptions through the HST. In some respects, they'll be captured by some of the supplies they end up having to buy. It's a minor point, but it's an important point to try to legitimize some of these operations.

The other one is, working closely with the federal government in capturing those that are operating in the underground economy in terms of putting cash registers and certain technologies in place in certain retail outlets so that we can monitor them even more closely in capturing some of the revenue that sometimes goes hidden. I'm working closely with the federal government; our officials have been working closely with Revenue Canada, and we're adopting some of the initiatives that have actually been introduced through the province of Quebec. Some of that technology is being adopted in Ontario to try to find ways to combat it.

But one of the major issues, even more than the economic issue, is the social impacts that the underground economy have. The VAT, that being HST, has been one way of monitoring or curbing some of that activity. But the WSIB and those who are hurt on the job: That's even more threatening. Those who don't have access to pensions and benefits: They too are at risk. These are the kind of things that we're trying to protect. That's why we're taking the actions that we have.

Mr. Steven Del Duca: Thank you.

Mr. Mike Colle: Minister, after the financial collapse in 2008, we took steps to rescue General Motors and Chrysler, who were on the brink of bankruptcy. At that time, we put forward, in a loan, money to keep them solvent and keep the jobs. I noticed today that you announced that you would be selling the government's shares. I think it's GM only.

Hon. Charles Sousa: Yes.

Mr. Mike Colle: I'm just wondering how this will work. Will there be any financial benefit to the province by selling these shares, or is it essentially a neutral outcome? What is the result of this transaction that we're embarking upon?

Hon. Charles Sousa: I appreciate the question. It's important to note the steps taken in 2009 to support, in this case, both General Motors and Chrysler. We were the only subnational jurisdiction to be involved. There was the federal government of Canada, the federal government of the United States, and the province of Ontario.

We got involved in a way to support the industry, recognizing the tremendous economic impact it would have on our province and, for that matter, on our nation. If it hadn't been for those steps—it was essential for us to protect over 100,000 jobs in Ontario alone. Members of the opposition opposed it, and they called it corporate welfare.

Today, I can recap some of what has happened. We offered \$4.8 billion in Ontario assistance, of which only \$4.6 billion was drawn down. GM received \$3.6 billion at the time. Recovery to date has now been \$1.3 billion, including yesterday's transaction. Chrysler's assistance was \$1 billion, of which we've now recovered \$0.7 billion. In that regard, we're out of our position, so there will be no further recoveries through Chrysler. In November 2010, Ontario sold approximately 11.7 million of its GM shares, yielding proceeds of \$389 million.

On September 10, 2013—that was yesterday—the federal government entered into an agreement to sell 30 million shares of common stock of GM, or approximately 21% of its holdings, to the Bank of America Merrill Lynch and RBC Capital Markets. Ontario has one-third interest in the shares held; we then sold one third of our shares. That resulted in 10 million of Ontario shares being sold.

I worked with the federal government not to interfere and not to provide any market deviation. We worked hand in hand with the federal government: When they sold a block, Ontario would sell a block so as not to interfere with the market conditions.

Further details about the share price and cash proceeds to Ontario will be made available after the federal government reports its trade with US and Canadian securities regulators. That will come in the next several days.

Ontario will continue to monitor the value of its remaining shares in General Motors and assess the appropriate timing for that share divestiture. Ontario, in conjunction with the federal government, remains committed to exiting from the ownership of GM while maximizing the value of the government's interest for Ontario taxpayers. What's critical is that GM, Chrysler and the auto industry have been able to have greater recovery as a result of our partnership. We've been able to protect over 100,000 jobs and the tertiary suppliers in Ontario will continue to be able to support the industry.

1720

Mr. Mike Colle: The bottom line, though, is: How does this impact the Ontario economy with this sale going on of shares?

Hon. Charles Sousa: Ontario will now receive some additional funds from the sale of the proceeds of the shares that we made yesterday. That will become public

in the next couple of days as to the amount, because it will be subject to a particular price point, which is now being assessed.

Mr. Mike Colle: Okay. Another question I just had—I got to thinking about some insurance questions I had. I think I've got a few.

Hon. Charles Sousa: I should add: Then the proceeds will be brought into government, and they'll be used towards reducing our overall position and reducing the debt and paying for the programs.

Mr. Mike Colle: I just had a few questions about insurance, an old favourite topic of mine. Maybe if I can get Mr. Howell to come up; you might be able to help.

In the anti-fraud task force, which is quite a comprehensive look at fraud, one of the things that—I mean, maybe I missed it. What I was looking for was, was there any analysis done in terms of where people's premiums go—what portions? I've always wondered, because everybody thinks it's the insurance companies that run insurance, and we know it's run by the tow truck drivers.

I want to find out what percentage of people's premiums do tow truck drivers make, what percentage of people's premiums do physiotherapists make, what percentage of people's premiums do auto collision repair shops make. What do lawyers make of the premiums we pay? What's their cut on the premiums we pay? The paralegal industry—I know in my community, I have all these paralegal companies that say, "Slip and fall? We guarantee you \$20,000. Come to us. You've got a car accident? Guaranteed money." What do these companies make?

What do the medical assessors make—the people who do the assessments of the assessments of the assessments of the assessments of the assessments? A lot of these are medical doctors, and others are physiotherapists. Others are psychologists; others are speech therapists; others are everything under the sun. But anyway, what percentage of the premium paid goes to the assessors of the assessors of the assessors? Also, obviously, the insurance companies: What do they keep? Insurance brokers: What is their percentage of what they get in providing auto insurance?

And all the related health care providers that are—as you know, we have basically a two-tier health care system in Ontario. We have the public health care system—the hospitals, the doctors—but then we have the private health care system within insurance that is totally unregulated and sort of operates in this mystic world of health care, but it's private and provides for private care and private tests and the whole gambit.

Has there ever been a breakdown to see, when we pay our \$1,000, \$2,000, \$3,000 a year for our auto insurance—is there a breakdown of where this money goes, either in part or in whole? Has that ever been looked at, or is that impossible to get, since a lot of it is proprietary information that insurance companies are holding? Is that possible to get, or has it ever been looked at? I've never seen it, but I'm just wondering if it's there.

Hon. Charles Sousa: We did a little bit of that in the budget last year under section C. We actually put graphic comparisons of what happens in Ontario versus other provinces. We actually have a graph that talks about the additional costs per vehicle in Ontario. It relates to caregivers, housekeeping, income replacement, attendant care, exams, medical, compensation, collision and comprehensive. We have a chart in regard to that. We also have a chart that's very telling, and that is on page 281, illustrating the dramatic increase in Ontario, in relative terms to the other provinces, in terms of actual benefit claim costs relative to others—how much more it is. We also have some comparisons here, to touch upon some of what you've asked.

I'm going to ask the deputy to drill down even further on some of the specifics.

Mr. Steve Orsini: Your questions really drill down to a level of specificity and disaggregation I don't think we have, but we'll follow up on that.

What I do want to highlight is a number of things that you talked about in the anti-fraud task force. It was chaired by Fred Gorbet, a former federal official, and had a group of people, either consumers or experts, providing advice to the government on what could be done to reduce fraud, to protect those who require benefits, but really address fraud to reduce the costs of providing auto insurance and, therefore, that would help drive down premiums.

They made a number of recommendations, some of which the government has moved forward with, and some of the others are still under review. The budget bill that was passed earlier this year contained some of the measures to move on those initiatives. I think that's where we'll get some further insights, as those measures take effect, as the expert panel advises the government on what additional measures may be required.

The government will continue to review those recommendations and continue to consult on their application in terms of some of the specific things you had mentioned. The tow truck industry: How does that impact? What are some of the things the government may want to consider around that? There's a private member's bill that tries to address some of those elements.

Those are some of the things the government will be exploring on that—again, reduce costs and have those costs passed through so premiums, on average, come down by 15%.

Mr. Mike Colle: I was in this committee—not this committee; another committee—and we dealt with insurance. It seems the going rate is \$2,000. If you get picked up by a tow truck driver in Toronto, you'll get taken to the tow truck pound—his or her pound—or to a friendly pound.

Then, if you go to your auto collision repair shop and say, "Hey, listen, my car got into an accident. This tow truck guy was so nice to me, offering me coffee on the 401, where I got hit, but he took my car and it's over there, and here's his card"—well, as you know, Rocky at the auto collision shop phones up the friendly tow truck

driver and says, "Oh, you've got Mrs. Papalucci's car over there. Can I have it?" And you know what they say: The going rate is 2,000 bucks.

In one case I had, the car was across the street from Rocky. It was in a major car dealer; a major car dealer had the car. The friendly tow truck driver phoned the major car dealer. So Rocky phones across the street and says, "Hey, your car is across the street. I hear it's driveable. I'll even come over and drive it across to my shop. Can I come over and get it?" "Sorry, you can't—2,000 bucks." Eventually, he had to pay 2,000 bucks to get that car, and Rocky then drove it across the street to his auto collision shop.

I'm just giving you this as an example of somehow, whether it's the insurance companies, whether it's the system, nobody ever wants to get to the point and say, "Where is the money going?" Everybody assumes it's the big, bad insurance companies getting all the money. In some cases, the insurance companies are complicit in having these arrangements.

We should try and find out the breakdown of our premiums, that are worth billions of dollars and, in some cases, we know, are going to very nefarious organizations that have been involved in physiotherapy, have been involved in everything, and that are involved in the tow truck business. The Hells Angels have been involved in the tow truck business in Ontario in the past; we know that. So—

The Vice-Chair (Mr. Taras Natyshak): Thank you very much, Mr. Colle. Your time is up. I've enjoyed your anecdote.

We will move on to the PC caucus for—

Mr. Rob Leone: I was almost going to give up my time to hear the rest of the story.

Mr. Mike Colle: Don't get me started with tow trucks.

Mr. Rob Leone: We were just getting to the Hells Angels there. Jeex. Wow.

Minister, I want to go back to this wage restraint thing that we were talking about before. Now, the LCBO had a deal recently tabled—I think in May or June of this year; before the long weekend—where there was a signing bonus of about \$1,600 given to members of that bargaining unit. I want to know if you can tell me whether receiving extra compensation of \$1,600 is, in fact, a wage freeze.

1730

Hon. Charles Sousa: As mentioned, the LCBO's negotiations occurred independently. They were mandated to do so within the envelope that they were receiving, and they had to have offsets for any constraints or any deals that they were to make, and to ensure that the province's dividend would remain and become better. They accomplished that; they provided the offsets that were necessary. As I've stated, the overall benefit—if you look on page 128 of the budget, "Going forward, compensation costs must be addressed within Ontario's existing fiscal framework, which includes no funding for incremental compensation increases for new collective agreements." It states further that we're confident that even

broader public sector partners will work together to achieve these outcomes.

Mr. Rob Leone: So when I say “wage freeze,” you’re not just talking about wage freezes; you’re talking about compensation, meaning benefits and other things as well?

Hon. Charles Sousa: No, we want them to be within the envelope, and we recognize that there are offsets. What’s really important here is the net benefit to taxpayers and the net benefit to government. As a result of some of the negotiations and deliberations that we’ve done, we’ve actually been able to cut spending year-over-year and control our spending in the going-out years because we’re not increasing the spending on an actual basis.

It’s also important that we find those savings. We need to find those savings by working collaboratively with our collective agreements and with our labour partners to ensure that they themselves look at ways to offset compensation with cuts and savings.

Mr. Rob Leone: You’re saying you’re cutting spending. I just want to bring to your attention—I’m just looking for my relevant chart here; now I can’t find it. Spending in 2003 was \$80 billion. Spending in 2012 was \$122 billion. That’s a 53% increase.

Hon. Charles Sousa: I think you’re talking about where we’re going, right? As I’ve stated, I made it very clear in our budget: no funding for incremental compensation increases. I’ve stated further, “In future rounds of bargaining, the government is willing to work with employers and bargaining agents to look at mechanisms such as productivity improvements as a way to achieve fiscal and service delivery goals.” We want to work with all our partners to ensure that we improve delivery of service and improve productivity by ensuring that we work within the fiscal constraints that we have. I’ve stated clearly that that’s the way that we will go.

Mr. Rob Leone: Your predecessor, Mr. Duncan, said that a wage freeze meant a 0% wage increase. He talked about negotiated settlements of zero and zero. Your language never actually uses “wage freeze.” You talk about “envelopes” of money not increasing.

Now, if wages were at zero and zero, and signing bonuses weren’t added, in fact, you would have more room in that envelope, would you not? I mean, you’re saying that \$1,600-per-person deal with the LCBO, for example—if you didn’t have to give that, you’d have more money in the government’s coffers to pay down the debt and reduce the deficit even further, would you not?

Hon. Charles Sousa: The LCBO negotiated a deal as an employer with its employees, and they negotiated offsets. To that effect, they had no incremental increases in their funding compensation, which enabled us to still maintain our dividend and—

Mr. Rob Leone: So it’s not a wage freeze; it’s just offsets? You’re talking offsets now?

Hon. Charles Sousa: No, we said, “There’s no money for any incremental increases.” That’s what we’re saying.

Mr. Rob Leone: I agree there’s no money. There’s no question about that.

Hon. Charles Sousa: We’re not providing any increases. We will continue, and as I’ve stated—it’s even highlighted—Ontario wage settlements are much lower than they are in the private sector.

Mr. Rob Leone: You’re suggesting here that you have no wage freeze. That’s what I’m hearing from you.

Hon. Charles Sousa: I’m saying that there’s no envelope—there’s no pay—available. There’s no more money available for incremental increases.

Mr. Rob Leone: I remember reading a press release about your envelope with respect to the LCBO. Your envelope was tied to receiving a \$1.6-billion dividend. That was the envelope. That’s a pretty big envelope, isn’t it?

Hon. Charles Sousa: Yes. The monies that the LCBO provides the province and the people of Ontario are \$1.6 billion to help support schools and hospitals and services.

Mr. Rob Leone: What I’m suggesting, though, is that if you actually engaged in a proper wage freeze and then negotiated—

Interjection.

Mr. Rob Leone: Okay. Thank you very much.

What I’m trying to suggest here is that if you adopted your predecessor’s language of zero and zero—clearly I think your government understands that there is also some room to manoeuvre on the benefits side as well, where sick pay, retention pay, signing bonuses and pensions are all involved in the total compensation package of the government. But if we actually engaged in a wage freeze and start talking about ways we can reduce some of those benefits, would your government not have more money either to reduce the deficit further or to spend it in other ways? That seems logical, doesn’t it?

Hon. Charles Sousa: Right, and no funding for incremental compensation is what I’m saying. There’s no more funding for any incremental compensation increases. As a result of the measures we’ve taken, we’re constraining and controlling our spending and enabling us to move to tackle and eliminate the deficit as planned.

Mr. Rob Leone: So going forward, can we expect wage freezes from your government?

Hon. Charles Sousa: As I’ve said, there’s no more funding for any incremental increases in compensation.

Mr. Rob Leone: For how long?

Hon. Charles Sousa: More importantly, as a result of the negotiations that we’ve been having, more importantly, as a result of the co-operation and collaboration that we’re having with labour and with our stakeholders and with our partners, as opposed to some of the suggestions that have been made in the past by others, we’ve been able to negotiate even greater offsets, even greater savings to the tune of—where are we here?—\$6.5 billion in cumulative reductions compared to the commission’s forecast.

Remember, Don Drummond came to us, alerting us to the situation in a big way. Not only did we assume and take some of the steps necessary; we went beyond that. Just in the pension savings alone, because of the

collaboration that we've been doing, we've been more than offsetting the suggestions of a zero-zero.

Mr. Rob Leone: When I walk around at events and people come to me and say, "What's the government doing with respect to wages?"—obviously wages make up a substantial portion of your budget—and they talk about a wage freeze, I can't say to them with a degree of certainty that you've actually frozen wages.

Hon. Charles Sousa: No, you can say this: The forecast was to increase, just in pension expenses alone, about \$1.1 billion over that period of time. As a result of the steps we've taken, the cumulative reduction is now going to be \$6.5 billion. We are now, on the net present value of that negotiated deal, saving the province \$1.8 billion. So you can tell them that as a result of our negotiations, as opposed to a combative approach, we've done even better.

Mr. Rob Leone: So I can't tell them you've frozen wages, though.

Hon. Charles Sousa: You can tell them that there's no more money and we're not giving any more money for pay increases. In fact, you can tell them that we've established net savings.

Mr. Rob Leone: It's very interesting. I've been analyzing your government for quite some time, and we always have these words that we hear, "We're in conversations," "We have envelopes of money," "There's no more money to do this," but you won't say "wage freeze." It baffles me because your predecessor believed a two-year wage freeze was necessary.

Hon. Charles Sousa: Don't be baffled. Look at what has been accomplished, and what has been accomplished came out in our public accounts just yesterday. We have just shown you that we have been able to not only control and constrain our spending; we've been able to reduce it, and reduce it by 0.4% of program spending, of which wages are a part. As a result of that, we're netting out even better than we were before.

Mr. Rob Leone: Okay.

Hon. Charles Sousa: That's how it is.

Mr. Rob Leone: I understand that's what you say how it is, but I'm still trying to understand whether you—

Hon. Charles Sousa: The facts is what it is, yes.

Mr. Rob Leone: I'm trying to understand whether you've deviated from your predecessor's position on wage freezes. You're not giving me any indication that you are following that, because you're using other words to explain different things than I'm asking about. I'm saying, does the government believe in wage freezes? Is there a zero-zero policy? And I'm not talking about compensation; I'm not talking about envelopes. I'm talking about a wage freeze: 0% and 0%, no signing bonuses, no retention pay. Is that the position of the government still, and for how long can we see that from you, as the finance minister?

1740

Hon. Charles Sousa: Let me be clear here. Two years ago, we introduced zero-zero for two years. Now I'm telling you there's no more money for any pay increases.

Mr. Rob Leone: Okay.

Hon. Charles Sousa: And we've negotiated even greater benefit by further reductions.

Mr. Rob Leone: You know, I think somewhere in the background your communications advisers are thinking you're doing a great job, because you're not really answering my question.

I have maybe a slightly different tack. I hear that you're talking about labour collaboration as something that you've done, and over the last couple of budgets, I know that you've spent a considerable amount of money trying to buy the NDP vote. I'm wondering, how much money do you have in this budget to do that the next time?

The Vice-Chair (Mr. Taras Natyshak): I don't think that "Buying the NDP vote" is a line item on your budget, Mr. Minister, but feel free to comment on it.

Mr. Rob Leone: There's a page in there. What page is it?

The Vice-Chair (Mr. Taras Natyshak): I mean, if it is an expense that's highlighted in the budget, then you can feel free to comment on it, but you certainly don't have to.

Hon. Charles Sousa: Thank you, Vice-Chair, and I appreciate the clarity of that. In fact, there is no line item to that effect. But this is an important question in this circumstance.

The member, Mr. Leone, has just asked that we should, as a result of the actions of a minority government, work collaboratively with the opposition. Certainly, our government desires that to be so.

Our government also desires to control and constrain our spending, and to work with all stakeholders in government to ensure that we work together for the purpose of tackling and eliminating the deficit while providing valuable services to the public. In order to do that, we have to work together.

The member has asked a number of questions and has implied a number of initiatives, which is insulting to the extent that we've never operated that way. We want to work with you. We want to work with all sides for the benefit of Ontarians. I think if we were to look at some of the initiatives that have been brought forward, they're in keeping with your very own proposals.

These are shared initiatives, and I think we can find common ground on some of this stuff, including working with our employees so that they, too, are satisfied as to where we need to be. They themselves recognize that we all have to roll up our sleeves, that we have to do our part. We, as legislators, are doing our part, too. We've frozen our pay for five years, and we will continue to do what's necessary. We are working toward a much more positive position for the benefit of the public, and will continue to do that with everyone who wants to collaborate.

Mr. Rob Leone: So in the spirit of collaboration, I know that we brought forth a bill that was endorsed—in fact, it was written—by AMO, in terms of arbitration reform. Why didn't you vote for it?

Hon. Charles Sousa: I guess the question should be posed back to you: Why did you not vote for it? Why did you take it out of the budget in the previous year? It was there.

Mr. Rob Leone: It was a terrible budget.

Hon. Charles Sousa: You guys voted it out. You removed it.

Mr. Rob Leone: We twice brought arbitration legislation—

Hon. Charles Sousa: You removed it from the budget.

Mr. Rob Leone: We twice brought arbitration legislation—

Hon. Charles Sousa: I know what you may have brought forward, and I know what you did, and you voted it out of the budget last year. It was there.

Mr. Rob Leone: Well, why didn't you vote for it, to put back in, then?

Hon. Charles Sousa: Why did you vote it out? That's the question.

Mr. Rob Leone: No. I'm asking you very seriously, Minister. This is your time to answer questions.

Hon. Charles Sousa: Okay, wait a minute now. Let's be clear—

Mr. Rob Leone: No, no, no.

Hon. Charles Sousa: We, as a government, brought it in—

Mr. Rob Leone: This is my opportunity to ask you questions. We're reviewing the estimates of your government.

Hon. Charles Sousa: Yes.

Mr. Rob Leone: So this is an opportunity for you to answer questions.

Arbitration reform has the capacity not only to help the budget of the government of Ontario, but also municipalities, hospitals, universities, what have you. We brought forth arbitration legislation that the Association of Municipalities of Ontario actually wrote. We did that, and you voted against it. So I want to know, if you're serious about collaboration, why didn't you support it?

Hon. Charles Sousa: Okay. So let's be very, very clear on the timing, now. The very last piece of legislation around interest arbitration reform occurred last year. That was the last piece of legislation that came before this House. We brought it in; you took it out.

Mr. Rob Leone: Well, you know, Minister, we can quibble about this all you want.

Hon. Charles Sousa: That was the last piece of legislation around interest arbitration reform. That was it. There is nothing that has happened since then.

Mr. Rob Leone: We had a bill last spring; you should've known about that. Steve Clark had a bill. We had a private member's bill to do that.

Hon. Charles Sousa: The last piece of legislation before the committee was at that point. It was already at its tail end, and you removed it. Your party removed it from the budget.

Mr. Rob Leone: Okay. We can talk about how the amendment didn't go far enough. We brought legislation

that the association of municipalities actually wanted, and you obviously voted against it. We can quibble all we want. I know you're going to continue to say what you're going to say and I'm going to continue to say what I'm going to say because that's the way the nature of the beast works.

Where in the budget are the gas plant cancellation costs?

Hon. Charles Sousa: Repeat the question, please.

Mr. Rob Leone: Where in the budget are the gas plant cancellation costs?

Hon. Charles Sousa: I believe \$190 million was attributed in the previous year and \$40 million was addressed last year.

Mr. Rob Leone: And where's the rest of it?

Hon. Charles Sousa: That's all that's been attributed to the taxpayer.

Mr. Rob Leone: And where's the rest of it?

Hon. Charles Sousa: There is nothing more that's been attributed to the taxpayer base.

Mr. Rob Leone: So the numbers that we've heard of \$565 million, at least to date, or \$585 million, whatever the number is lately, are not in the budget at all?

Hon. Charles Sousa: The fiscal plan and the impact of the fiscal plan have been addressed. It has been applied to the budget. Has it been applied to the books and public accounts? It's been addressed by the Auditor General. We have now gone even further by asking the Auditor General to do a full review of the overall consequences of the relocation of the plants as they proceed going forward. And as we determine that, we'll then know.

Mr. Rob Leone: So only a small fraction of what the taxpayer is going to be on the hook for has been accounted for in your budgets.

Hon. Charles Sousa: The cost of the relocation has been accounted for, yes.

Mr. Rob Leone: Do you have anything else, Rick?

Interjections.

Mr. Rob Leone: Three minutes? Go ahead.

Mr. Rick Nicholls: Thank you. Minister, I'm going to kind of change the spirit of the conversation somewhat, but I do have a question for you, though.

Licensing: I want to go back to licensing individuals and their car licences. Just recently, the government has implemented an increase in licensing, I believe as of September 3. It's now gone up to \$90 per vehicle, correct?

Hon. Charles Sousa: Yes. Again, that's the MTO. You may want to refer to them as to the cost, but again, it's a cost recovery that's occurring. It's also something that Don Drummond and the Auditor General have recommended in their reports.

Mr. Rick Nicholls: That revenue itself—you're saying that the MTO actually collects that revenue and it goes back in, but where does all of that money end up?

Hon. Charles Sousa: Again, the recommendations by both Don Drummond and his commission and the Auditor General were to provide some indexation. Some

of this stuff hasn't been addressed in over 15 years. It's a cost recovery; it's part of the cost of doing their operations. So it'll be administered and managed through MTO to enable them to recover the cost of delivering that service.

The Vice-Chair (Mr. Taras Natyshak): You've got half a minute left, Mr. Nicholls.

Mr. Rick Nicholls: Okay, thank you.

I guess, looking at those numbers, that's been roughly a 20% increase in the last couple of years that has been directly attributed to or passed on down to consumers, the taxpayers, just for the privilege of driving in this province.

I guess my concern is, what are we doing, and what would your government be doing, to control those costs? Because it seems to me that every time more revenue is needed, we increase fees.

Hon. Charles Sousa: Mr. Nicholls, we've just shown you that we've cut spending year over year for the first time in over a decade. The recommendations that were included here are in keeping with what your party has wanted, and that's to provide the indexation of some of these fees, as recommended by the Auditor General and Don Drummond, which you want us to recommend in its entirety. So I'm confused as to why you're questioning the very thing that you want.

The Vice-Chair (Mr. Taras Natyshak): Thank you very much, Minister.

We will move to the NDP for 20 minutes; of course, we won't get through that, but to you, Ms. Fife.

Ms. Catherine Fife: That's fine. Thank you very much.

I just want to distribute this ad that's out around Queen's Park—would you mind passing that around?

1750

Although I, too, was interested to hear about Rocky. I mean, we had our own sort of version of Rocky over here a little bit.

So I'm going to be returning just to the role of FSCO, and MPP Colle said this is about the big, bad insurance companies. It really isn't. It's actually about getting to the real numbers so that we can create some systemic change in the industry.

To that end, this advertisement that I've just distributed—did you not get it?

Hon. Charles Sousa: No, I have no idea what this is.

Ms. Catherine Fife: Okay. This ad is out there. I think most people have seen it. It's on the bus shelters outside. It's distributed by the Insurance Bureau of Canada. This is their job: to tell the story in a different tone, in a different way. The one particular line that we find very interesting, and I hope that FSCO does as well, is that they list their profits, return on equity for 2011 and 2012, to be 1.3% and 4% respectively. The actuaries who I've talked to—you know my friends, the actuaries—have said that this number should actually be closer to 19%. Do you anticipate FSCO challenging these numbers as they stand today?

Hon. Charles Sousa: We haven't had time to review this. We'll take a look at it.

Ms. Catherine Fife: These numbers are not new numbers. These numbers are what the insurance industry has been using for—ever since we started talking about reducing insurance rates, this return on equity has been consistently used by the insurance industry. We understand why they're using them; I want to know: Do you understand why they're using them and do you understand where they come from? Because they're not new numbers. I want to know, our party wants to know, the people of the province want to know: Is the government going to challenge these numbers—1.3% or 4% for that matter—when I think there are good reasons to question the validity of these numbers?

Hon. Charles Sousa: Again, we have not had time to review this particular chart. There's no specific time period that has been established. There's no relevance in terms of when this ratio has been attributed. You're asking things without having the full concept and the full scope of where it's coming from. This is an ad from IBC; it's not something that the government has brought forward.

The fact is, we're bringing forward legislation and we're bringing forward policy to pass on savings to the consumer, and addressing the needs of the consumer and ensuring that we reduce those premiums as a result of some of the costs that have been entailed. So we're compelling these insurance companies. We're putting forward a watchdog of sorts, by way of a panel to attribute the overall circumstances of the work that's being done, to pass those savings on to the consumer.

Again, this doesn't have a timeline, so it's difficult for us to comment on what you've stated here.

Ms. Catherine Fife: Well, Minister, no one has said that the government is putting these—these are not the government's numbers. They're from the insurance industry, and they're not new numbers. They are the numbers that have been out there for almost two years. They tell a very different story than the government does.

The question was very direct. Will FSCO be looking at these numbers as we try to reduce rates by 15%?

Hon. Charles Sousa: Catherine, we've just come out with a piece of legislation to address this very issue. That's exactly what we're doing. We're reviewing and assessing the scope of the savings within the industry to make certain that they're passed on. There's also a federal component in regard to the solvency issue of some of these companies. But in terms of the specific items of this chart, I'll ask Phil to comment.

Ms. Catherine Fife: Phil, are these real numbers?

Mr. Philip Howell: No.

Ms. Catherine Fife: Do you know—they're not real numbers?

Mr. Philip Howell: Oh, I'm sorry. I thought you said, "Are they our numbers?"

Ms. Catherine Fife: Oh, Phil, I thought you were going to tell me what I wanted to hear.

Mr. Philip Howell: Sorry, I thought you said, “Are these your numbers?”

Ms. Catherine Fife: No, they’re not your numbers. Everybody knows they’re not your numbers. But these numbers are not new to you or to FSCO, right?

Mr. Philip Howell: Off the top, I’m not totally sure where they come from. They may be the numbers that came from those studies that the IBC had commissioned and presented to a government committee in the fall. However, I do want to assure all the members of the committee that when we are reviewing rate applications, we undertake a very rigorous review of the individual company’s financial position, and in fact what a rate filing entails—they’re several hundred pages long—is a detailed look at what each company is doing in terms of where their costs are and so on.

Ms. Catherine Fife: I appreciate that. I guess my question is: Is FSCO able—do you have the tools and mechanisms that we sort of talked about earlier? Do you know—do you have those tools and mechanisms to determine if these numbers are real? Does FSCO have that power?

Mr. Philip Howell: Well, I don’t really think that it’s FSCO’s job—it certainly isn’t under the existing legislation—to be opining on industry advertising campaigns. I can assure you that we do have both the capability, the authority and the ability to analyze a company’s financial position that they present in the context of a rate application and determine—

Ms. Catherine Fife: But you wouldn’t have to audit. We’re not asking you to audit. You’ve said already, “It’s not the job of FSCO to audit insurance companies.” You wouldn’t have to audit a company to find this data out. Some 80% of the people in this province never file a claim in auto insurance. That’s how safe the drivers are in the province. So, it would make some kind of sense—just common sense, even like common sense, revolution sense—that these numbers are not real. They’re definitely deflated. Can somebody at least admit that these—nobody believes that insurance companies in the province are making 1.3% on their return on equity, right?

Hon. Charles Sousa: Really, we can’t comment on numbers that—we can’t verify these numbers. They’re not our numbers; they’re numbers that are being brought forward by an independent body through an ad campaign. What we can tell you is what we did put in the budget. We made reference to some of the specific numbers as presided by the anti-fraud task force since September 2011. Assessments were made in terms of the deter-

mination of some of the costs and where they fell and the impacts it has on the province of Ontario.

What’s important to note here is our determination over the last number of years—the last two to three years—to find ways to reduce those claim costs so that we can pass the savings on to consumers. That’s the work that we’re doing and that’s what we’re trying to assess and trying to ensure occurs. As a result of that, we already have a number of insurance companies already stating that they’re going to come forward with reduced premiums. That’s what we need to work with.

Ms. Catherine Fife: Definitely. The mutual insurance that I met with—they’re already there. They want to be there—

Hon. Charles Sousa: There you go.

Ms. Catherine Fife: —but then you have other sectors or other insurance agencies that are claiming that they’re not making any profit and therefore they will push back and say that they cannot meet the 15% reduction. You can’t say to them, “Yes, you can,” or, “No, you can’t” if you don’t understand what’s in their reserves and what kind of return on equity they’re actually making. This is part of the equation on the insurance discussion.

Hon. Charles Sousa: Well, this is the benefit of having a competitive industry. There are over 100 companies competing in this space. We have a sector that’s going to be viable. We have a number of companies that have managed their books more effectively than others, and they’re in a position to now pass on those savings more quickly. That is what we want. We want FSCO, through their efforts and through their enforcement piece and their ability to compel these companies to come forward for those rate reductions—we’re encouraging that to occur.

Ms. Catherine Fife: Okay. Thank you very much. Actually, the remainder of my questions are really detailed, not that some of mine haven’t been that detailed, so I think that it’s in the best interest not to even start down that road, but thank you very much for some of your answers.

The Vice-Chair (Mr. Taras Natyshak): Thank you, Ms. Fife. Thank you again, Minister and Deputy Minister, for appearing. To committee members, we will adjourn the committee until Wednesday, September 18, 2013, at 3:45 p.m., or after routine proceedings. The meeting is adjourned.

The committee adjourned at 1800.

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Wednesday 18 September 2013

Mercredi 18 septembre 2013

The committee met at 1600 in room 151.

MINISTRY OF FINANCE

The Chair (Mr. Michael Prue): I'd like to call the meeting to order. This is the resumption of the consideration of estimates. We are here today to resume the consideration of the estimates of the Ministry of Finance. There is a total of four hours and 37 minutes remaining. When the committee was adjourned, the third party had 10 minutes remaining in its rotation. So you have the floor for the next 10 minutes, Ms. Fife.

Ms. Catherine Fife: Thank you, Chair. I'm going to pass on this cycle. There are only a few minutes left, right?

The Chair (Mr. Michael Prue): You have 10.

Ms. Catherine Fife: I know. I'm going to pass.

The Chair (Mr. Michael Prue): Out of 20 minutes? Okay, that's fine. Then it goes to the Liberals.

Mr. Steven Del Duca: Thanks very much, Mr. Chair. Minister, it's good to see you here this afternoon. I'm going to begin by asking a question that relates to the notion of a common co-operative securities regulator. In budget 2013, our government did state that Ontario does remain prepared to work with the federal government and other interested provinces to establish, as I said a second ago, a common co-operative securities regulator. I'm just wondering, from your perspective, why is achieving that so important for Ontario?

Hon. Charles Sousa: I appreciate the question. It is, in fact, something that we put in the budget in 2013. It's a fundamentally important issue and one that our government, as you know, has been working hard on for many years. A common securities regulator would reinforce Canada's otherwise strong international reputation for excellence in the regulation of our financial institutions. It would also offer many real benefits for our economy and would reduce costs and increase the efficiency of the capital markets regulation in Canada.

As finance minister, I am pleased that I get to continue to advocate for something I strongly believe in. In fact, I spoke about it at some length as a member. In 2010, I gave a speech in the House, advocating for a common securities regulator.

As I've said before, Ontario's financial services sector is a world leader and a critical part of this province's economy. Toronto is home to globally successful insur-

ance companies, five of the largest banks in North America by market capitalization, and is the third-largest financial centre in North America, behind only New York and Chicago. Over half of the Canadian securities industry's GDP and employment and 80% of market activity takes place right here in Ontario. Our financial services sector comprises almost 10% of Ontario's GDP.

But let me be clear: The effective regulation of our capital markets is a national issue. It contributes to the general welfare of all Canadians. The ability of businesses to raise capital efficiently and households to save and invest with confidence are fundamental building blocks of our economy.

In recent years, the combination of economic upheavals, technological advances, more complex financial products and trading strategies, and increased international competition have posed serious challenges to our financial services sector, including our capital markets. The quality and effectiveness of our capital markets will depend on our confronting these challenges that our current securities regulator framework, frankly, is ill equipped to handle.

Canada is the only industrialized country without some form of a national securities regulator. By pooling provincial, territorial and federal jurisdiction and expertise, Canada could create a world-leading securities regulator regime that would contribute to a stronger national economy and allow Canada to better compete in global capital markets. Canadian businesses would be able to raise funds throughout Canada more quickly and at lower cost, which would stimulate investment. Businesses would also benefit from more expedited regulatory decisions. This would help create jobs and grow the economy.

Additional benefits of a common securities regulator would include stronger enforcement, a unified voice that enhances our global reputation, and a more coordinated and effective structure for policy-making.

It is for these reasons that Ontario has taken a leadership role in the creation of a common securities regulator and continues to support, now more than ever, the co-operative development and adoption of a common securities regulator for Canada.

Ontario has demonstrated its leadership on this important issue for some time. In 2004, Ontario released a discussion paper outlining Ontario's proposal for a common securities regulator. In 2006, Ontario's Craw-

ford panel released a landmark report that outlined and recommended a blueprint for a Canadian securities regulator.

These and other reports, including our most recent budget, have shaped Ontario's position and informed discussions on the need for fundamental reforms to our current regulatory framework.

We believe that a well-structured common Canadian regulator would foster more efficient and global competitive capital markets in Canada, facilitate capital-raising and investment, provide increased protection for investors, strengthen Canada's capacity to identify and manage systemic risk, and enhance the stature of Canada's financial services sector.

I'm confident that by incorporating regional strengths into an integrated and professionally managed framework, we can create a made-for-Canada capital markets regulator that will enhance our international reputation for excellence in financial regulation, attract capital from both domestic and international investors, and foster job creation and economic growth.

Mr. Steven Del Duca: Thanks very much for that answer. If I could drill down just a tiny bit further with respect to the same topic, I'm wondering if you can explain to the committee how a common securities regulator might improve on the current passport framework of securities regulation.

Hon. Charles Sousa: The one that has been bandied about for some time? All provinces want to achieve—I know they want to achieve more effective, less costly and more competitive securities regulation.

For Ontario, the passport framework, which retains 13 separate sets of laws, administered and enforced by 13 separate regulators, is not the preferred approach for achieving cost-effective, responsive and agile securities regulation in Canada.

Ontario believes there is a better way that retains the fundamental strengths of Canada's existing regulatory culture, incorporates new safeguards and still manages to package everything in a more efficient, effective and compact framework.

We are willing to work together with other interested provinces and the federal government. In our 2013 budget, we said we believe that a co-operative securities regulator model would include:

- an independent board of directors, with capital markets expertise and a broad regional representation, to govern the new regulator and be accountable to a council of ministers from each participating jurisdiction;

- a single uniform act, to be adopted by all participating provinces, complemented by companion federal legislation, both administered by the common co-operative securities regulator;

- an executive head office in Toronto, with large regulatory offices and key executives in other major participating provinces, in cities like Vancouver, Calgary and Montreal—assuming that BC, Alberta and Quebec would even participate—but Toronto would be the headquarters of a common securities regulator. Regulatory offices

would be maintained in every participating province, offering the same range of services that are currently provided in those offices;

- a voting structure that reflects the significant role of all participating provinces where the major share of capital market activities would prevail; and

- reduced costs for issuers and investors, while providing a more modern and responsive regulatory environment.

Ontario believes that this type of co-operative securities regulator would provide Canada with a more appropriate and effective securities regulatory framework for the 21st century while contributing to a stronger economy and fostering job creation—all good things for Ontario and good things for Canada.

Any discussions around this should be taken into consideration. I spoke at great length in 2010 on this issue, and I acknowledge the work that has been done by many. But we have to always look forward, and we need to address consumer protection initiatives by having a common regulator. That will be a benefit for everyone.

We need to enhance competitiveness by improving costs and more value. It's also critical for us to attract international investment and participation, because there's an international reputation at risk here. So we want to ensure that, for all intents and purposes, Ontario is seen as the—it is the largest regulator in Canada. A lot of things come to Ontario. We want to take advantage of that strength. We want to be able to leverage that for the benefit of Canada as well. It's about improving and strengthening governance.

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Mr. Steven Del Duca: Thanks very much for that answer.

I'm going to change gears for a second and talk a little bit about some of the stuff that's taking place. If I understand it correctly, you were in the St. Catharines area fairly recently for the opening of the province's first Our Wine Country boutique. I'm wondering if you can talk to the committee a little bit about these boutiques and, specifically, if you can explain how these boutiques will do more for Ontario's wineries.

Hon. Charles Sousa: I recently had the privilege of going to St. Catharines and to Niagara, talking about some of our boutique stores, to promote and enhance local wineries and VQAs. Over 500 selections of unique-quality wines were available that otherwise wouldn't be. It enables the 100-plus wineries in the region to have access and distribution of their wines. It was well received. Many were in attendance, promoting their local VQA. Also, the growers were in attendance. It enables us to foster and promote Ontario brands and good-quality opportunities. The LCBO and those stores have the ability to nurture and promote some of these initiatives. These boutique stores were tailored with the branding and the environment of Ontario. It was almost like a kitchen setting. It's seen as a great way to promote local VQA and ensure that we propel our market to the rest of the world.

Mr. Steven Del Duca: Thank you, Minister. Because we're in this general topic area right now, I'm wondering if you can also explain a little bit to the committee what the LCBO is doing to promote something that I know is very important: social responsibility regarding alcohol consumption.

Hon. Charles Sousa: That's the benefit of having the LCBO. It's not only providing a huge dividend to the province, to the tune of \$1.6 billion, to support schools and hospitals, but it also—and it provides a competitive-priced product and enables us to have a wider selection of product by also enabling both local wines and local craft breweries. It takes the extra step of being socially responsible and providing a more balanced approach—to not only give more convenience to consumers through destination stores and, for that matter, even select stores that will be expanding into other distribution networks. They do so with the added precaution of monitoring who's buying and ensuring that minors aren't exposed. They take the added step of educating consumers as to alcohol consumption, and they work closely with MADD and other organizations to ensure the public is protected.

Mr. Steven Del Duca: Great. I'll turn it over to my colleagues.

Mr. Joe Dickson: Thank you. Minister, what is the government's vision for pension innovation in Ontario? I'd just reference a time when I put in a private member's bill and I met with actuaries, with different people, all of them very much in favour of—and I'm referencing an old-age pension expansion. I also realize it must be part of a national plan. I wonder if you can give me any insight on that.

Hon. Charles Sousa: I appreciate that. We've begun consultations on PRPPs, pooled registered pension plans. It's on page 102 of the budget. It's a framework by which we are trying to foster and develop even greater use of employer-targeted benefit plans. It enables more individuals to participate in their pension and retirement savings—that otherwise hasn't happened. Too many Ontarians still don't have a pension plan or a savings plan.

We have been in discussions with the federal government to enhance CPP, to further facilitate the needs of the public in later years.

We have a pretty strong track record of pension reform in Ontario. We've improved the sustainability and efficiency of many plans. We want them to be reliable. We've reached agreements with four major plans, saving up to \$2.4 billion by 2018 through some of the work that we've been doing with them as well.

So in all of these initiatives, balancing the interests of pensioners, plan members and sponsors is critical. We know that in recent years, with the market downturn, there has been less funding, so we've got to make certain that consumers—or, I should say, investors—are protected in the long run. More importantly, we want to increase access and availability even to small businesses to be able to participate in a pooled plan.

Mr. Joe Dickson: I have one other question, Mr. Minister. I wonder if you could address or speak to the

review of our province's business investment portfolio, particularly its activities, and what type of positive or negative effect that could impact on the province's borrowing rates, understanding fully that it's dependent on the marketplace and very, very sensitive. I've never got to the point where I've understood. I've had to borrow from my own business from time to time over half a decade, but this is something many levels above that, and I'm just looking for some insight on what you do to help improve that.

Hon. Charles Sousa: So, Mr. Dickson, you want clarity in terms of the overall interest costs and the structure of our borrowings and the impact and the volatility? I'm going to ask Gadi to come up to also respond to this, if that's possible.

You should know that the government takes a very systematic approach. There's renewal of debt on an on-going basis. It's measured and controlled and put forward in such a way so as to minimize the volatility of rates over a longer period of time.

So, Gadi, go ahead.

Mr. Gadi Mayman: Gadi Mayman, CEO of the Ontario Financing Authority. Our borrowing program this year is \$33.4 billion. That consists of financing to the deficit, financing to refinance maturing debt that we're rolling over, and financing for capital. Of that \$33.4 billion, we are almost halfway through the fiscal year and we've borrowed almost half of that so far. We have borrowed \$16.1 billion, so we're right on track.

What we've been attempting to do in order to reduce the volatility of our interest on debt costs is to take advantage of what have been historically low interest rates. So we've borrowed as much as we can, as far out as we can. Similar to making a decision as to whether you want to have a floating rate mortgage or a five- or 10-year mortgage, we've made the decision to borrow as much as we can in the 30-year term, in the 10-year term, in order to reduce the impact when interest rates ultimately do go up. That's the approach that we've taken.

Mr. Joe Dickson: That gives me some insight. Thank you very much.

Hon. Charles Sousa: Actually, if I could ask the deputy to also—there was one more piece to your question that I think deserves response.

Mr. Steve Orsini: Yes. The other part of your question is in terms of private sector investment, what affects their cost of borrowing to invest, and I thought that was an interesting aspect to the question.

The government has done a number of things to help reduce their cost of capital. Borrowing interest rates is part of it; the amount of tax they pay on their investments; accelerated depreciation. These are ways that the government has taken steps to reduce the cost of capital for companies making important investments in jobs and growth in the economy.

One other thing that was announced in the 2013 budget was extending the accelerated depreciation of businesses manufacturing, for example, making investments in machinery and equipment. That's an important

contributor to productivity, so that was a significant budget measure to allow companies to accelerate their capital cost deductions, which means they get bigger tax savings if they make more investments.

Reducing sales tax on their business investment—it was another significant barrier in the past, and with moving to a value-added tax under the HST, that removes sales tax on their business investments.

These and a number of other things that government has done actually reduce the cost of capital that companies face, and that will encourage more investment down the road.

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Mr. Joe Dickson: Thank you kindly.

Mr. Mike Colle: I just have a consumer question. I don't have the complexity of my friend from Ajax here.

Something in microeconomics: The LCBO, as you know, has proven to be quite a success story in many ways. The way we handle the distribution and control of alcohol and beer in this province is quite unique. I think there are a lot of good things about it—we all know that—but there are some challenges.

I'll just give you an example of a real-life problem. I've got an 85-year-old resident; she lives in the Caboto Terrace in the Columbus centre complex at Dufferin and Lawrence. She said to me one day, at the picnic this summer, "I wanted to get a beer. I don't go into the bars or taverns or restaurants, but I wanted to get a beer. I live at Dufferin and Lawrence. To get a beer, I would have to take the Dufferin bus all the way up to Yorkdale. Then from Dufferin, I'd have to walk about a mile into the LCBO to get"—she wanted two beers, three beers, whatever it is. She said, "So how is this possible? I'm a mature lady. I don't have much money. I don't want to take a cab, because it defeats the whole purpose." She just wanted one or two beers.

Then I was saying to myself, "Where is there a Beer Store?" One of the closest Beer Stores would probably take—she'd have to take the Dufferin bus to Eglinton West, then the Oakwood bus down to Oakwood. It would take her about a day to get a beer at the Beer Store.

Is there any kind of innovation that we might have within the LCBO framework, or the Beer Store framework, where ordinary people could somehow get a beer without breaking the holy charter or the Holy Grail of alcohol sales in Ontario and not sell off the LCBO and all these crazy ideas—just within the framework of convenience for an 85-year-old woman or man or someone who just wanted to get a six-pack or even one beer in a more reasonable way than having to take buses, trains and taxis?

Hon. Charles Sousa: I appreciate the question. The LCBO has been looking—and you may have seen a number of their stores that have been renovated and expanded. We have the destination boutiques as one of them. We also have, in certain rural communities, agency stores that are together with some of the breweries and other distributions.

The other thing they're looking at is expanding into what are called express stores in groceries. The intent is

to have certain LCBO areas within the grocery chains, enabling people more access, when they go shopping, to wine and beer and especially those products that are selling more appropriately. There are a number of pilots that are happening in some of the large grocery chains.

It's important that the LCBO expand the services and the distribution to provide greater access to consumers, all the while being socially responsible. These things will be monitored and addressed.

But you're absolutely right: We want our consumers to have easier access to product. The LCBO is looking at ways to make those expansions a reality.

Mr. Mike Colle: Yes, in fact, it just makes me—

The Chair (Mr. Michael Prue): It has to be very short.

Mr. Mike Colle: I think a lot of people are fans of the agency stores in remote areas. I think they really work well. Would this also be tried in some of Toronto too?

Hon. Charles Sousa: This would be in addition to that. You have the destination boutiques. You'll have the VQAs and the Vintages. You're going to have the agency stores in certain communities. Then you're going to have what's called express stores within the grocery markets.

Mr. Mike Colle: Will they be allowed in Toronto, though?

Hon. Charles Sousa: It will likely be all over, but it will be in urban centres.

Mr. Mike Colle: Okay, thank you.

The Chair (Mr. Michael Prue): Okay, thank you. Time is now finished, and we go on to the Conservatives. You have 20 minutes.

Mr. Victor Fedeli: Thank you very much, Mr. Chair.

The Chair (Mr. Michael Prue): I would state that you have indicated a desire to put a motion in. I would ask that you do that sometime before your 20 minutes is up.

Mr. Victor Fedeli: Will you let me know when 19-and-three-quarter minutes are up?

The Chair (Mr. Michael Prue): I'm not going to go right down to that—

Mr. Victor Fedeli: I'm kidding.

The Chair (Mr. Michael Prue): I'll let you know when there are about three or four minutes left. Then you decide.

Mr. Victor Fedeli: Thanks. I appreciate it, Chair. I'm just having some fun.

Good afternoon, Minister.

Hon. Charles Sousa: Good day.

Mr. Victor Fedeli: A pleasure to see you today.

In the 2012 budget, your predecessor estimated that the province would save \$265 million by 2014 through the divestment of Ontario Northland. Of course, we now have documents from the Ministry of Finance, from January of this year—and those documents are coming—that confirm it may cost up to \$790 million to divest, rather than save \$265 million. So, Minister, either to you or your deputy, I would ask: Where is the billion-dollar gap, that delta between the forecasted savings and now

the forecasted expense? Where would that have been reflected in the estimates?

Hon. Charles Sousa: In our first-quarter results, we identified the status of ONTC. The Minister of Northern Development and Mines would be the appropriate person to talk to in regard to where we stand in regard to it.

Mr. Victor Fedeli: But I'm going to talk to you about it today, though, with all due respect, Minister. This is a billion-dollar change from a number that was presented on page 43 of the budget supplement—a forecasted savings of \$265 million by selling Ontario Northland, and now we understand that the costs may actually be a \$790-million cost, with no savings to sell Ontario Northland. The difference between the two—the forecasted number that you put in the budget, a savings, a minus of \$265 million, is now a plus of \$790 million. So that billion-dollar delta, I'm asking about that and how it's reflected in your budget.

Hon. Charles Sousa: Yes. So, as I mentioned, the minister of ONTC has set up an advisory committee; they're still reviewing the options. But you may have—I know you weren't here initially for the start of these proceedings, but let's not make the mistake of reviewing some very sensitive documents that are before you, which is unprecedented. We do not want our staff to be hesitant about advising us about risks and about circumstances so that we can make informed decisions—

Mr. Victor Fedeli: I may not have been in the room, Minister, but I listened to you; I listened to that.

Hon. Charles Sousa: —and in order to make the informed decisions, we will base it on that.

Mr. Victor Fedeli: I appreciate that—

Hon. Charles Sousa: At this point, you're making reference to something that hasn't been decided upon.

Mr. Victor Fedeli: Minister, I appreciate that I wasn't in the room for your earlier discussions, but I did pay attention to them and I did hear that comment from you before. The fact of the matter is, these are documents that are in existence; these are documents that are in the public domain. That still doesn't tell me about the difference, the delta of a billion dollars, and how you account for that in your budget.

Hon. Charles Sousa: Well, we want the risks to be assessed. We want to make certain we understand the worst-case scenarios so that we can make decisions effectively to mitigate them. We're making those decisions to mitigate the risks.

Mr. Victor Fedeli: I appreciate that. It's unfortunate there wasn't consultation in the beginning, because within minutes of this announcement back on March 23, 2011, I, along with my colleagues and with the third party, have always said the numbers don't add up. There will be no savings.

In fact, Minister, we also have a document, the last document from the ministry of—either it's finance or treasury; we can't ascertain that. It's advice to cabinet; it's page 8 of 24. It talks about the divestment of ONTC business lines, and the recommendation back then to the Minister of Northern Development and Mines was to

defer, not to go ahead and announce the divestment. They said, "The ministry's plan does not accommodate transition costs, which could include asset writedowns (est.: \$215 million), severance (est.: \$25 million), and pension liabilities (est.: \$100 million)."

Now, we know that those numbers are all wrong, because this year, the new document shows those \$340 million are actually \$790 million. So the advice to defer was given back when it was only \$340 million. Even before they knew it was \$790 million, the advice to cabinet was to defer this decision. It says, "It is recommended that this lever be deferred to the document process for further due diligence and analysis of fiscal and policy implications."

So somebody, way back when, seemed to know and agree with what we were saying: The math doesn't add up. Had they listened even closer to us, they would have seen this \$340 million became \$790 million, pretty close to the number we had from day one.

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So I would ask you again, then, why did the provincial government go ahead with the announcement of the divestment when they knew their own advice to cabinet was to defer that decision?

Hon. Charles Sousa: There are a lot of discussions that occur between the buildup to make the decisions. You make reference to something that occurs all the time, and we want to ensure that we deliberate and get as much information as possible in order to make those appropriate decisions. Right now, the options are still under review. ONTC is still undergoing some of its issues. We recognize some of the requirements in order to maximize the valuations of ONTC or the continuing use of certain components of it, but I would refer you to the Minister of Northern Development and Mines, who is overseeing it right now.

Mr. Victor Fedeli: I will speak to the minister; I have frequently. We have spoken on many occasions about the fire sale of Ontario Northland, but I'm asking you specifically financial questions today. Will you detail what costs the ministry didn't consider when stating in the 2012 budget that the fire sale would save \$265 million? Was it pensions, severance, WSIB, environmental, other liabilities? What did you miss where you felt a savings of \$265 million when the real cost now is a cost of \$790 million?

Hon. Charles Sousa: We've outlined the costs of this transition in our quarterly reports. I did that when I just tabled it in early September.

You make reference to something in your own draft report—and this is a draft. It does say "the divestment of the ONTC ... based on worst-case estimates." You're making reference to a worst case, and we need to ensure that our team gives us as much information as possible.

You know, unlike referencing material that you're talking about without recognizing some of the mitigation that takes place to proceed to the decision, those are the steps that you should ask the Minister of Northern Development and Mines as to what we're doing in terms

of ensuring and reviewing those options to minimize the impact—

Mr. Victor Fedeli: I appreciate that.

Hon. Charles Sousa: —but knowing that it's not creating a positive return for the province.

Mr. Victor Fedeli: So let's stay with the document, appendix A. It's called "Summary of Key Items with Fiscal Implications at Variance from the 2012 Budget." That's a long way of saying, "Oops, there are other costs here now that we didn't have." These are fiscal implications at variance from the budget, things that are different from the budget. So I ask you, how did you account for these changes in the budget that you wrote and presented just last March? How were they accounted for? I don't recall where and when I saw those.

Hon. Charles Sousa: Sure, I'll give you some clarity, with the deputy's involvement here.

Mr. Victor Fedeli: Please.

Hon. Charles Sousa: As I've said, we've put in our first quarterly results, and—go ahead.

Mr. Steve Orsini: One thing, as part of developing the fiscal plan, the government, in ascertaining proposals from ministries—and ministries bring forward, as part of every budget cycle, their ideas to invest or to save money and find efficiencies.

Mr. Victor Fedeli: Excellent.

Mr. Steve Orsini: What the government does, as a part of weighing all those different proposals, is to factor in things that—these are estimates, and they continue to be estimates. Even in the documents you handed out, that pension expense could rise or fall—

Mr. Victor Fedeli: Oh, it's going to rise. I think we both know that.

Hon. Charles Sousa: Well, you can't say that.

Mr. Victor Fedeli: Well, I think we can.

Mr. Steve Orsini: It's a worst-case scenario and it depends on long-term interest rates, and those are the things that at the time the ministry—

Mr. Victor Fedeli: So—

Mr. Steve Orsini: Just to respond, what the government does is—given that these are estimates, given that there is potential risk—build in some significant prudence or contingency funds. So one of the things is a contingency fund. The other one: Because of a significant transformation, there was a billion-dollar transformation fund or transition fund to accommodate those estimates from ministries that might change—

Mr. Victor Fedeli: So that's where you're saying it's in; it's in that area there. This billion-dollar delta—part of it could be in there.

Mr. Steve Orsini: I don't know how you arrived at that number.

Mr. Victor Fedeli: Well, the difference between a savings of \$265 million and a cost of \$790 million: That's where I came up with the billion. It's from your documents.

Mr. Steve Orsini: All I'm saying is that there are contingency funds and a transition fund of \$1 billion to accommodate the cost of transforming any public service. So there is money—

Mr. Victor Fedeli: But even when you look at the—thank you, Deputy. When you look at the first day the announcement was made, it was "we're going to save \$265 million." Minister, you talked about deliberations, you talked about getting as much info as possible, and I cannot argue with that. I believe in both of those vehemently. Sadly, when your government announced the divestment of Ontario Northland, there were no deliberations. There were no consultations. There wasn't anybody getting information. It was done without anybody talking to anybody in northern Ontario. Had they only talked to us even briefly, as the MPP from Parry Sound—Muskoka, Norm Miller, and I found when we did a 1,600-kilometre drive through northern Ontario—you know, you talked about saving \$265 million, and then you found out first that your costs were about \$340 million and now \$790 million. You had labour severance at \$25 million. Well, anybody that works in the north fully understands the 14-year severance that many Ontario Northland employees have, and the six- or seven-year severance that Ontera employees have. You've revised your number from \$25 million to \$250 million, which many of us still believe is low, by the way. It could be as high as \$450 million, if it's taken all in.

How can I know that, as a brand new MPP, but the Ministry of Finance not have reflected that \$250 million? You have zero in for benefits. How can I know that benefits aren't going to be zero, that they turned out to be \$56 million? That's just the benefits. The pension, you said, is \$100 million. Anybody that reads the North Bay Nugget at home knows that the unfunded pension liability at Ontario Northland is \$150 million to \$200 million, and now you've updated it to \$212 million. How can I know that as a new MPP and you not have it from the Ministry of Finance's advice?

Hon. Charles Sousa: We put a note in our first quarterly results, identifying some of the concerns that you've just stated. I referenced the fact that you're dealing in worse-case scenarios and, by your own admission, you're making up numbers too. So, really, ONTC is underway. We've established a review. The minister—

Mr. Victor Fedeli: No, I won't admit—

Hon. Charles Sousa: Let me answer, because you've made a lot of deliberations and the premise of your question was all over the map. What is involved here is—

Mr. Victor Fedeli: My numbers are pretty close to the numbers you came up with a year and a half after I published my numbers.

Hon. Charles Sousa: No, you make reference to a contingency that is existing. It's not the entire contingency that would be used for this one deal. It's a contingency that's used for the entire—

Mr. Victor Fedeli: That's what your deputy had said.

Hon. Charles Sousa: —so don't reference it in that capacity.

Mr. Victor Fedeli: So what you're saying—

Hon. Charles Sousa: Mr. Fedeli, if I could respond.

The Chair (Mr. Michael Prue): Let him answer the question.

Hon. Charles Sousa: Thank you, Chair. I appreciate the opportunity to at least express some clarity that the member is asking questions and he's taking inferences about a contingency that is allowable for a number of initiatives, not just for this one aspect. As I've said many times, you have to ask the Minister of Northern Development and Mines in reference to what we're doing now. A lot of material comes to the minister for decisions. Once those decisions are made, it's up to review to determine the best way to proceed forward.

We recognize that there's going to be deficiencies. That's why we accounted for it in our first quarterly results, and that's there.

Mr. Victor Fedeli: I appreciate that. Thank you very kindly.

When did you first discuss—I'll ask the deputy this question—at finance the divestment of Ontario Northland? What was the date?

Mr. Steve Orsini: I wouldn't recall off-hand—

Mr. Victor Fedeli: What year?

Mr. Steve Orsini: I think the Drummond commission—there were a number of things that were discussed. I think it was one of those areas that the ministry had been looking at from time to time. So I can't give you a precise date. That's something we can—

Mr. Victor Fedeli: Let me go back, then—and this, Chair, is going to relate to the motion that I'll be bringing forward.

The Chair (Mr. Michael Prue): In terms of that, you have about five or six minutes left.

Mr. Victor Fedeli: Okay, thanks. We had a freedom of information that was filed last year seeking 2011 Ministry of Finance documents from prior to the elections. We're asking for documents from January 1, 2011, to October 6, 2011, the day of the election, which included Ontario Northland, ONTC, the Ontario Northland Transportation Commission. We were told there are 703 pages of discussion by the Ministry of Finance on the Ontario Northland divestment, back as early as January of 2011, before the election. Of the 703 pages, only 11 were sent. The other 692 were not released, even though the full fee of \$530.60 was paid for 11 pages. And almost every page of the pages is completely redacted. On all of these, you may not even find the words "Ontario Northland." You find the word "the" on some or the word "and," "advice to government" and it's all blacked out. You don't even know if that's to do with Ontario Northland.

So I will be making a motion from the estimates committee for exactly what was not given under freedom of information. I would like to have not only those 703 pages that we now know are available, but I would like to have all of the email correspondence from the Ministry of Finance to do with the divestment of Ontario Northland, and I have a motion that's worded.

The Chair (Mr. Michael Prue): If the Clerk could pass out the motion, then, at this point?

Mr. Victor Fedeli: Thank you. While we're doing that, is there any chance you could tell me how much

money was spent on consultants for the divestment since the time it was announced to today?

Mr. Steve Orsini: No.

Mr. Victor Fedeli: Can you undertake to do that for us?

Mr. Steve Orsini: We could follow up on that.

Mr. Victor Fedeli: Thank you. And can you also tell us, how much profit do you plan on making from the sale of Ontara? Is that a known number yet today?

Mr. Steve Orsini: The process is under way, and the Ministry of Northern Development and Mines would be in a better position to—

Mr. Victor Fedeli: That's fair, but I will look for how much money was spent on consultants for Ontario Northland specifically related to the divestment between the March 12 announcement and today.

The Chair (Mr. Michael Prue): Are you about to do your motion?

Mr. Victor Fedeli: Yes.

The Chair (Mr. Michael Prue): All right. Then, at this point, we will stop the clock in terms of the 15 hours relating to the minister, and I would invite you to do your motion.

Mr. Victor Fedeli: Thank you. I'm not familiar with this committee. Do I just read it?

The Chair (Mr. Michael Prue): Just read it into the record.

Mr. Victor Fedeli: Thank you. I move that all printed and email correspondence from or within the Ministry of Finance between January 1, 2011, and October 6, 2011, inclusive, that includes the phrases "Ontario Northland," "ONTC" or "Ontario Northland Transportation Commission" be provided to the Standing Committee on Estimates within two weeks from this date.

The Chair (Mr. Michael Prue): Okay. We have a motion. Is there debate?

Mr. Steven Del Duca: Chair, I would actually ask for a 10-minute recess. Having just received this, it will give us a chance to take quick look at it.

The Chair (Mr. Michael Prue): That's in order. Yes, we will then, at the request of Mr. Del Duca, take a 10-minute recess. I would ask everybody to be back here—I'm trying to see. This is a very difficult—

Mr. Rob Leone: It's the glare.

The Chair (Mr. Michael Prue): Yes, the glare off the clock. I think at five to—I'm trying to see what that is—at seven minutes to 5.

The committee recessed from 1642 to 1652.

The Chair (Mr. Michael Prue): Okay. The 10 minutes has now concluded. Mr. Del Duca, do you wish to speak to the motion?

Mr. Steven Del Duca: Yes, I do, actually. Thanks very much, Chair. I guess I'd like to begin by asking a bit of a question. I'm not an expert in this particular area, so I'm trying to figure out, reading this particular motion—and perhaps I'm looking for some advice or an answer on this one. I'm not quite sure, from my perspective, that this particular motion actually falls within the scope of this particular committee. It's asking for all printed and email

correspondence, not as it relates to the tabled estimates but as it relates to anything that might have occurred with those particular terms at the Ministry of Finance between those dates. It reads to me as being extremely broad and goes well beyond what I believe are the tabled estimates, so I'm just wondering if it is within the scope of this committee. It doesn't feel like it is to me.

The Chair (Mr. Michael Prue): The members may ask for any documentation. As I understand the rulings of the Speaker and the past rulings of the Speaker of the House of Commons, Speaker Milliken, which were largely borrowed from, the members of the committee have the right to ask for any and all documents. I'm not sure as to the scope, but he's asking for what he's asking.

Interjection.

The Chair (Mr. Michael Prue): The Clerk has reminded that if it is a line item in the ministry, and it appears to be from the documents we have in front of us.

Mr. Steven Del Duca: Okay. Just so I'm clear on this, they're asking for emails. The emails—and again, forgive my ignorance on this—are not line items in the budget. I understand one term or the terms, maybe, but it just seems that this goes beyond what is intended to be examined here at this committee, which is the tabled estimates of the Ministry of Finance in this particular case.

The Chair (Mr. Michael Prue): The committee has asked for other documents. We've asked for documents a number of times in the course of the last year. The ministry, in each case, including this ministry earlier, has laid out, in quite exquisite and legal detail, those documents that they feel they can release or not release at particular times and which ones they have and do not have. I would have to say that that is an entirely reasonable possibility in what may happen here.

Mr. Steven Del Duca: Okay. I do understand what you're saying. Again, as someone who is not regularly at this committee, I will only say again that it does feel like it's—

Mr. Rob Leone: You should be, though.

Mr. Steven Del Duca: Thanks. I appreciate that vote of confidence. It does feel like it is beyond the scope of what I understood this committee's work to be about and it does give me the impression of being—I suppose what I've come to expect is a bit of a fishing expedition from my friends on the other side.

Having said all of that, I'm looking now at the particular timeline that's being suggested in the committee, which is two weeks. I guess I would say that I think it would probably make sense if the committee would consider extending the timeline itself. As we've seen, both here and in other committees, there's a fair amount of work that needs to take place to actually do this. The folks who are working to produce what's requested by all of these committees do work extremely hard, not only with respect to producing for a committee, but also in terms of the outstanding work that they do on behalf of the government on a regular basis. I would ask that the committee would consider extending and adding to the timeline so that the information that you're looking for can be provided.

Mr. Rob Leone: What are you suggesting?

The Chair (Mr. Michael Prue): Well, wait a minute. This is an amendable motion. If you want to amend the motion to put in a different timeline, you still have the floor, or if you want to hear other people and make that amendment later, you can do so as well. But it is an amendment; you can't just suggest. If you want it done, it needs an amendment.

Mr. Steven Del Duca: Sure. I would like to amend it to—we'll say four weeks, double the time. Two weeks to four weeks.

The Chair (Mr. Michael Prue): All right. So we have an amendment on the floor, then, that it read "four weeks" to produce the documentation.

Okay. Speaking, then, to the amendment, I have Ms. Fife down next.

Ms. Catherine Fife: Thank you, Chair. I was actually just going to disagree with some of the comments that have already been made. We support this call for new information. When you look at how little information came out of this FOI, it's really quite incredible. The nature of the questions and the information, how to maximize the government's interest in its assets and organizations to secure the best value for taxpayers—and then we have no information. We're interested in following the money. When you follow the money, you follow the priorities, so we're supportive of the intent of the motion and we're also amenable for additional timing if the rest of the committee thinks it's necessary.

The Chair (Mr. Michael Prue): Okay. Just to keep us on track, we're talking now about the amendment, which is four weeks. Any further discussion on four weeks?

Mr. Steven Del Duca: On the amendment?

The Chair (Mr. Michael Prue): On the amendment. Any further discussion on four weeks? Okay, then. All those in favour of the amendment that it will now read "four weeks," signify. The amendment is four weeks. All right, that appears to be unanimous. Okay, it's amended.

Now, back to the main motion, as amended: Any further speakers on that?

Mr. Steven Del Duca: Having listened to Ms. Fife, I do want to take one more kick at this can. I apologize for this, and I appreciate the patience and indulgence of everyone who is participating here today. Looking again at the issue of scope, I'm just wondering—given, as has been said a second ago, that this does, in theory, deal with or is somewhat connected to a line item in the estimates—would it not make more sense, to keep it within the scope of this committee's work, to have it tied to the issue of funding? Email correspondence that relates to the funding of this stuff, as opposed to just any particular reference to these words that are listed here—again, considering the work that takes place here at this particular committee.

The Chair (Mr. Michael Prue): Again, this is up to the committee. I can only speak of the past practice when documents have been requested, first of all from the Minister of Energy, then from the Ministry of Health and then from the Ministry of Finance. These have all been

done by this committee in the last year or so and have been forthcoming with explanations—sometimes with delay, sometimes with legal opinion. They have all been forthcoming. If you don't want the documentation, you can vote against the motion as amended or, if you want to amend it further to limit the documentation, you can move that amendment too.

Mr. Steven Del Duca: Thanks, Mr. Chair.

The Chair (Mr. Michael Prue): Further debate? Seeing none, we'll call the question then. All those in favour of the motion, as amended?

1700

Mr. Rob Leone: Recorded vote.

The Chair (Mr. Michael Prue): On a recorded vote. We've had a request for a recorded vote.

Ayes

Fedeli, Fife, Harris, Leone.

The Chair (Mr. Michael Prue): All those opposed? I see none in opposition. The motion carries.

Mr. Fedeli, you have two minutes left.

Mr. Victor Fedeli: Thank you very much, Chair. I didn't know it worked that way. I did not realize that.

Do you have anything?

Mr. Rob Leone: Sure.

Mr. Victor Fedeli: I've actually asked all my eight questions here. I'm quite happy to see the motion carry, and I'll yield to the member from Cambridge.

The Chair (Mr. Michael Prue): You have 90 seconds.

Mr. Rob Leone: Thank you, Chair. Maybe in the brief time that I have, Minister, we talked last week about this difference between the deficit and the amount of accumulated debt that's going to grow this year. You associated that extra cost as capital expenses that the government's incurring. Does that mean that all the capital projects in the province of Ontario are being financed through the debt—increasing the debt?

Hon. Charles Sousa: As a result of some of the measures that we've taken in a very disciplined and determined manner, we've actually had about \$22 billion in debt not accumulated. Consequently, it's the net-debt-to-GDP ratio—that's an important measure—that assesses our ability to afford debt. We recognize that there's an accumulation of deficits that increases our debt load, but it has been very much the strategic investments that we've made in infrastructure and in other capital systems that enable us to promote economic growth and enable us to stimulate our economy and ultimately support the systems that we are now taking advantage of. It's about improving our competitiveness and increasing our overall dividend in the end. It has been an accumulation of reducing deficits that we've exceeded year over year, as well as some of the capital infrastructure that we've invested in.

Mr. Rob Leone: So when we build a bridge, that's financed through the debt? That's my question.

Hon. Charles Sousa: Depending upon the system, right? We also have a lot of P3s and a lot of alternative forms of financing that have made Ontario, frankly, the leaders around the world in certain initiatives. It's nurtured an industry that's actually being exported now around the globe as a result of some of these initiatives that we've done—

Mr. Rob Leone: So when we build—

The Chair (Mr. Michael Prue): I've got to stop you there.

Mr. Rob Leone: Okay.

The Chair (Mr. Michael Prue): The time is up. Ms. Fife, you have 20 minutes.

Ms. Catherine Fife: Thank you very much, Chair. I'm going to be asking some questions on energy this afternoon. I know that you'll be disappointed that we're not talking about auto insurance anymore, but you'll have to get over that.

Moving forward, can you tell me how much is built into the fiscal framework for the following items: the clean energy benefit?

Hon. Charles Sousa: Right. We have in our reports and in our assumptions the clean energy benefit. It's stipulated in our reports. And just as some of the reports that have been released—and it's unfortunate that Mr. Fedeli has just left—I want to also make reference to the sensitivity of some of the material that's been requested, especially the commercially sensitive matters. We hope that the committee will also continue to recognize the ongoing discussions and the ongoing negotiations that are under way with ONTC. They will be delivered and we'll respond and respect the committee's motion, but we've got to make certain that we recognize the sensitivity and the very complex nature of what is being requested. So I hope that, again, the committee will keep it in the seal.

Ms. Catherine Fife: So just back to the clean—

Hon. Charles Sousa: In regard to the clean energy benefit?

Ms. Catherine Fife: Yes, that would be good.

Hon. Charles Sousa: We make reference to it in our assessments and in our budget. It's part of our plan going forward.

Ms. Catherine Fife: A figure?

Mr. Steve Orsini: That's something we'll undertake to get back to you.

Ms. Catherine Fife: Okay. What about the relocation, the costing of the relocation of the Mississauga and Oakville gas plants? I know this came up last week, but we'd like to—

Hon. Charles Sousa: Yes, we've accommodated it in our—it's been accounted for. The number was \$190 million for the Mississauga gas plant, and there was another \$40 million, I believe, for the Oakville plant. They were accommodated in our previous reports.

Ms. Catherine Fife: Can you tell me how much is built into the fiscal framework for the industrial hydro rate program as well, such as the northern industrial electricity rate program?

Hon. Charles Sousa: Deputy, do you have a number for that?

Mr. Steve Orsini: We'll undertake to get you that.

Ms. Catherine Fife: Thank you very much. Are there any other monies allocated to energy programs for the consolidated revenue fund as opposed to the hydro rate-payer base?

Hon. Charles Sousa: Deputy?

Mr. Steve Orsini: I'm trying to envision where there would be a program that provides a tax subsidy through that, and I can't think of any offhand. What we'll do is in the response to these other questions consider whether there were any other things that would be tax-base supported energy relief programs.

Ms. Catherine Fife: Okay.

Mr. Steve Orsini: We do have in the personal income tax system the Ontario Energy and Property Tax Credit, and that does provide relief, and there's the Northern Energy Tax Credit for individuals. Those are two that are provided to individuals and families. Those are things that we could—if that's what you're looking at, that's tax-base support to families and individuals to assist them on their energy costs.

Ms. Catherine Fife: Thank you. Can you give us a total for all monies from the CRF allocated to energy programs built into the fiscal framework? Of course, this would include any personal tax credits built into the PIT system, so it's connected to that.

Hon. Charles Sousa: We'll get it back to you.

Ms. Catherine Fife: How much revenue accrues to the province from hydro corporations, such as Hydro One and OPG? You must have some assessment of that.

Mr. Steve Orsini: We do. Part of them are estimates. Part of it is, we'll need to look at what we reported in public accounts based on financial statements that have been filed. Again, that is information we could get back to you on. So you're looking for the two hydro companies?

Ms. Catherine Fife: Yes, Hydro One and OPG.

Mr. Steve Orsini: Okay.

Ms. Catherine Fife: Connected to that, though, what is the current market HOEP for electricity? You must know the current one.

Hon. Charles Sousa: Why don't we get back to you on that, too?

Mr. Steve Orsini: The hourly Ontario price—

Ms. Catherine Fife: There's nobody who can give us current numbers?

Mr. Steve Orsini: Well, anything like that fluctuates on the spot market, I think—

Ms. Catherine Fife: I think that's where I'm sort of going with this.

Mr. Steve Orsini: Yes. It's going to be averaged out, and that's really the Ministry of Energy. When you get down to that level of technical specifications, we would need to consult with the Ministry of Energy—

Ms. Catherine Fife: So the same thing would be said, then, for the current price that consumers pay for electricity, right?

Mr. Steve Orsini: Yes, that's certainly a Ministry of Energy calculation.

Ms. Catherine Fife: And the global adjustment makes up for the difference?

Mr. Steve Orsini: That would be the same thing.

Ms. Catherine Fife: So what is the point, then, of having a spot market if the market prices in no way represent the price paid by consumers?

Interjections.

Ms. Catherine Fife: Do you want me to start talking about auto insurance again?

Hon. Charles Sousa: No. I mean—

Mr. Steven Del Duca: That sounds like a threat.

Ms. Catherine Fife: No.

Hon. Charles Sousa: The whole structure of our energy mix in the province of Ontario, be it with whatever service providers we have—they all come with different pricing and different accommodations. We can certainly give you a structure and get back to you with some of the specifics, be it that we get our base supply through nuclear, or even the mix that's being changed.

Go ahead.

Mr. Steve Orsini: The structure of electricity pricing, the different generation capacities, all those things are highly complex and it's really the Ministry of Energy. They have a number of agencies that have very sophisticated calculations in trying to estimate some of the questions you have. It would best be deferred or referred to the Ministry of Energy.

Ms. Catherine Fife: Okay. I'll return, then, to the privatization of ServiceOntario. I understand that the Teranet privatization netted the province, as you've pointed out, \$1 billion in an upfront licence fee. Is that correct?

Mr. Steve Orsini: There's a cash gain of about \$1 billion, correct.

Ms. Catherine Fife: A cash gain? One time? Do you plan to make the same approach with the privatization of ServiceOntario so that you can actually accrue that upfront licensing fee?

Hon. Charles Sousa: Again, we're talking about various alternatives and options, valuations of respective programs and organizations within government, and no decisions have been made to privatize beyond the motions that we've done.

1710

Ms. Catherine Fife: Okay. So that's a matter of record. Because there have been some conversations afoot, if you were looking at privatization, do you know what that fee would be?

Hon. Charles Sousa: I'm not prepared to speculate.

Ms. Catherine Fife: Okay. Those are all the questions I have.

Just a question, though, of the Chair: I did ask for some specific questions last week and I received a summary of them today. What is the accepted time frame for—

The Chair (Mr. Michael Prue): Unless a time frame is specified, it's when the ministry gets around to it. If

you want them at a specific time—as an example, the next meeting or before the minister is finished—you'd have to say so, before we go on to the next ministry. So if you want—you still have the floor—you can request that.

Ms. Catherine Fife: I guess this question would be for the deputy. We're trying to get a handle on the pricing of electricity and energy in the province of Ontario, and, as you know, it's a contentious issue. In what sort of timeline could you get back to us with some of the questions with regards to market prices?

Mr. Steve Orsini: Those types of questions would—it really is a Ministry of Energy response, so one of the things that would be hard for us to estimate is the time that it would take for them to pull this together, and they might need more clarity on the exact time frame and issues around that. Typically what we do is we get a question from the committee and if it's something that the Ministry of Finance can respond to, we respond to it as soon as possible. If it's a question to a line ministry, typically we would want to refer that to the line ministry that is best able to estimate the time it takes to respond to some of these questions. It would be difficult for us to estimate for them how long we would think it would take them to do that.

Ms. Catherine Fife: Okay. Just to follow up on some of the questions that were asked this morning—it feels like this morning—earlier this afternoon by Mr. Colle with regards to modernization around the LCBO: When you're looking at other options around accessibility, are you also looking at the role that advertising plays with the LCBO? Because it's a Catch-22. You want this agency to be successful, but in a responsible way. Their advertising budget has increased steadily over the years. Would you like to comment on that?

Hon. Charles Sousa: Yes, certainly. It's an opportune way for the LCBO to brand Ontario and to find ways to promote our local producers and product selections within the stores, and enables us to educate consumers as to what choices are available to them.

Ms. Catherine Fife: But you understand the challenge, right? The commercials, obviously, are promoting alcohol consumption and purchasing and there are definitely negative effects from a health care and a social policy perspective with increased alcohol consumption. What do you think the role is of government to find a balance within that? I mean, it's a Catch-22.

Hon. Charles Sousa: It's important for the LCBO and the government to be socially responsible, and it invests quite a bit in abatement initiatives to ensure that people who are exposed are protected and to make certain that minors and others don't have access as readily as may be available in other systems. The LCBO, I think, does a pretty good job and certainly it is renowned worldwide for its efforts to promote social responsibility in the delivery of its products.

Ms. Catherine Fife: Part of the budget dealt with agency accountability. You're looking to improve the results of those agencies and to ensure streamlining around expenses and value for dollar and building trust.

With agencies like Metrolinx in particular, as those revenue tools do come out, what is the relationship with the provincial government? You monitor their budget. You monitor their expenses. How do you make sure that you're getting good value from an agency like Metrolinx when we've seen other levels of government sort of weigh in on what Metrolinx says?

Hon. Charles Sousa: All of our agencies are monitored and audited and reviewed, and we've actually increased accountability and accessibility, even in our budget more recently. We recognize that it's important for the public, certainly, to have access and understanding as to what's happening in our programs and in our agencies. We endeavour to ensure that it's done in the most effective and efficient way possible, while at the same time using as many and attracting as many experts in that particular sector to advance those issues.

We are coming forward with a strategic advisory panel to assess certain alternatives to move forward with the next phase of Metrolinx and those investment strategies.

Ms. Catherine Fife: Thank you. No further questions.

The Chair (Mr. Michael Prue): It then transfers to the Liberals. You have 20 minutes.

Mr. Steven Del Duca: Thanks very much, Mr. Chair. I look forward to spending a bit more time here on this side of the room asking the minister questions about decisions that were actually made by the government as opposed to speculation, which we've heard a lot of questions about, unfortunately, from a certain group on the other side.

In any event, I want to begin by asking you a little bit about education. I don't think we've covered that from our perspective just yet. If you can talk to the committee a little bit about what actions the government has taken to improve the quality of both the primary and secondary education systems here in the province, that would be helpful.

Hon. Charles Sousa: The province and the government have long dedicated resources and investments into our education system, both in the primary and secondary—certainly, in the elementary, with the introduction of all-day learning; and, of course, post-secondary, in the realm of universities, colleges and trade services.

We know, through the works of Dr. Fraser Mustard, for example, that early years education will enable us to promote greater graduation rates and greater success by students in the long term. Investing in all-day learning is an initiative and a means by which to protect and invest in our young people, even at the start of life. This enables us to promote greater initiatives so that as they graduate and as they have greater success in later years, we can help produce and promote greater skills in our workforce.

That's one of the reasons we've introduced a 30% reduction on tuition. That has enabled us to help lower the cost of post-secondary. Approximately 230,000 college and university students now receive that 30% off tuition grant that we introduced in 2012-13.

We also know that there's a huge gap of skills and knowledge that certain sectors are seeking. By continuing

to invest in education, it will enable us to attract as well as export some of our services in post-secondary to the world. That was something that was introduced in our throne speech, I recall, last year.

We will continue to provide funding for education, with a modest increase this go-round. We're going to continue promoting the work of teachers and working closely with all educators so that we can attract the best students, retain the best students and enable kids to succeed from JK all the way to post-secondary.

Mr. Steven Del Duca: Thanks very much, Minister. Can you talk to us a little bit about the government's plan to give Ontarians better access to health care and, in general, better value for their money in a very crucial field, that being health care?

Hon. Charles Sousa: Yes. This year alone, the government is investing \$75.8 million across the province to support health care and support providers and continue to reduce wait times, for example, and provide for more than 6,800 additional surgical procedures and more than 220,000 hours of MRIs and CT scans.

As you know, we've increased the number of nurses by 16,393, from 111,000 in 2003 to 127,000 in 2012.

We know that transformational change in health care is necessary to provide greater access and greater services, especially to our senior population with home care.

All of these are initiatives that we introduced in the budget. We've expanded the degree of funding to support it and to save money in the end by introducing these steps so that clients and those in need of care are receiving the care more quickly, more accessibly and closer to home. It's about getting care where and when they need it. We will continue to invest that and make the transformational changes that have been recommended, and help front-line workers especially.

1720

Personal support workers do a tremendous job in our province, and we want to ensure that we provide and support them in the work they do. We know that the work they do enables us to have much fewer incidences in emergency wards, for example, and in alternate levels of beds in hospitals. Introducing these steps, introducing community health teams and introducing more home care initiatives enables us to have less of a burden on our hospitals and in our health care network, and investing in nurse practitioners, investing more in pharmacies and pharmacists by introducing some of their procedures, by giving more ability for other providers of health care to access and deliver some of the services will lessen the overall cost and burden to our system. So it's important that huge transformational changes take place.

Mr. Steven Del Duca: Thanks for that. My next question relates to the issue of transit and transportation. As I think you know, I represent the riding of Vaughan. It's a pretty fast-growing community in York region, just on the edge of Toronto.

Mr. Mike Colle: You want a subway too?

Mr. Steven Del Duca: I believe it's under construction, opening soon.

I'm just wondering if you can give us a bit of an idea or an understanding of the government's plan for transit in the GTHA.

Hon. Charles Sousa: We made it clear that part of our six-point plan is to continue investing in modern transportation, modern infrastructure, including transit. We're committed to finding real solutions to get people moving in the province more quickly and more safely, and allowing businesses to move their goods more quickly because we know it costs around \$6 billion in the GTHA annually in the gridlock. The gridlock we're facing is tremendous. It's tremendous not only economically but also by way of quality of life.

We're moving forward with a plan to provide for better transit in the GTHA. An advisory panel will be reviewing some of the recommendations made by Metro-linx's investment strategy to help find the right solutions to improve that system in the area.

Strategic investments in public transit infrastructure have always been a key part of the economic plan. It helps create jobs. It will help people in their everyday lives by investing in people, as well as building stronger infrastructure in a more dynamic and innovative system, but it's critical that we have an integrated, coordinated approach. We understand some of the barriers that exist between different municipalities—all the more reason that we need to have a holistic approach with regard to transit.

In this region and, for that matter, even around the province, we've dedicated \$100 million in the roads and bridges fund. We're making the gas tax permanent to the various urban municipalities so that they can invest in transit. There is a more programmed and predictable funding stream, and we're putting in \$35 billion over the next three years dedicated to that very issue.

Mr. Steven Del Duca: Thanks very much for that. Could you give the committee sort of a general sense of the economic challenges that you think the province of Ontario is facing?

Hon. Charles Sousa: Well, in light of some of the challenges with regard to slower growth around the globe, including Europe and even the emerging markets that have slowed down more so than was anticipated—they've all had an impact on our ability to source greater revenue and trade. But notwithstanding some of those declines, we've also been able to beat our deficit targets tremendously to well over \$5 billion. Last year alone, our deficit went down to \$9.2 billion as a result of a very determined and disciplined means of controlling our spending. In fact, last year, as by an audited report in our public accounts, our program spending actually went down. We didn't just control it or keep it below 1%; we've actually had a reduction of expenses and a decline of program expenses year over year by 0.4%, and total spending went down by 0.1%. That has not been accomplished by any government in Canada. In fact, Ontario continues to be the lowest-cost government in Canada, and it hasn't been achieved in well over a decade. So we recognize how important it is for us to control spending,

especially in light of the tough environment that exists around the world. We'll continue to invest in those initiatives. We'll continue to invest in our six-point plan, to invest in people, to invest in infrastructure, to invest in innovative solutions and to invest in our young people through our youth programs, so that 30,000 more people can be put to work.

All of these initiatives enable us to ensure that Ontario's fundamentals remain strong and that we are able to become even more competitive in the long run and tackle and eliminate our deficit on plan, as targeted, by 2017-18.

Mr. Steven Del Duca: Thank you.

I want to move away from that sort of broad general question to one that's a little bit more specific. I know, over the last number of years, there has been a lot of analysis and research done and a lot written about the equalization program and how it impacts what's taking place nationally but also how it impacts a province like Ontario. Could you talk to the committee a little bit about your perspective on that program?

Hon. Charles Sousa: Yes. I mean, as we all know, Ontario is the largest contributor to the federation. And for many years, all the other provinces combined—Ontario was still a net contributor to the rest of the federation, and we continue to be so. So the province has asked for a little bit more fairness, especially when it comes to investing in strategic initiatives and in strategic transit, for example, or in certain sectors of our economy, just as has occurred in the east and in the west. Ontario is looking for more of its fair share. We, I believe, are over \$11 billion or so in net contributions, and I think Ontario's fiscal capacity remains as one of the best, so it will continue to go. Ontario continues to provide for the federation; we just want to make certain that we get—especially in light of the challenges that we always face and that we've been facing of late.

I think the deputy also would like to contribute to that.

Mr. Steve Orsini: Just to the minister's reference: In the budget, on page 249, it shows fiscal capacity before federal transfers and after federal transfers. So you look at how Ontario has a diversified economy—not quite the energy wealth of some other provinces. We're in the middle of the pack. If you look at Ontario's fiscal capacity, it's in the middle. There are provinces ahead of us and then provinces behind, in terms of ability to raise revenues.

When you add in federal transfers, it overcompensates all other provinces to the point that Ontario now is the lowest fiscal capacity in the country, because the federal transfers overwhelm our ranking and knock us down to the bottom rung.

Mr. Steven Del Duca: Thank you very much.

Mrs. Amrit Mangat: Minister, my question is with regard to small business. We all know that small business is the backbone of our economy, and I think there are approximately 390,000 small businesses in the province of Ontario.

Being a small business woman in my previous life, I know how hard it is for the small businesses to sustain

and remain competitive with limited resources. There are many small business men and women who keep on meeting me—and I am sure they are also in your riding—and they always ask me this question: What is our government doing to support small businesses so that they remain sustainable?

Hon. Charles Sousa: It's a great question. I myself had a business prior to government, and I recognize the challenges that all small businesses face. Certainly for our economy, small business is the largest employer when you combine everyone's work together. We recognize that. That's one of the reasons we made our small business taxes lower still, and it's one of the lowest in North America and around the world. We want to encourage small business to invest and encourage them to continue producing jobs.

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We also introduced, in our budget this year, an increased threshold of the employer health tax benefit so that small businesses now—those making up to \$450,000—get exemption from the employer health tax. Again, this is helping more small businesses; I believe almost 80% more will be getting benefit from it.

Some years ago, we introduced Open for Business, trying to find ways to reduce red tape so that more small businesses can access government more effectively. We want to try to enable a one-stop approach to government services and programs.

In the budget, we also included an accelerated capital cost allowance so that we encourage those businesses to invest in machinery and equipment so that they too can become more competitive and productive. A number of programs exist to that effect now. In fact, we look at some of the small businesses that are really punching above their weight when they're competing against some of the other big businesses from the United States and other parts of the world, and they're succeeding. They're succeeding because they are nimble and they provide specific services and initiatives that make them much more competitive. It's also about our innovative culture. We need to encourage some of that innovation so that more small businesses can succeed in that entrepreneurial spirit. It's one of the reasons we've also invested in the youth program: to have more young people engaged in small business activity.

Mrs. Amrit Mangat: That's a long-term goal, right? What are we doing in the short term? That's my question.

Hon. Charles Sousa: We're keeping taxes lower, we're allowing for accelerated capital cost allowances so that these companies can invest, and we've immediately increased the employer health tax so that they pay less tax overall.

Mrs. Amrit Mangat: What was the threshold before for the employer health tax?

Hon. Charles Sousa: I believe it was around \$400,000. It has been increased to \$450,000, which now accommodates many more than there were in the past.

Mrs. Amrit Mangat: Okay. My next question—

Hon. Charles Sousa: We also introduced a pooled retirement savings plan to enable those small businesses

that haven't been able to provide for pensions and services to be part of something even greater for their employees.

Mrs. Amrit Mangat: I don't think small businesses know about that much. I think we need to raise more awareness about that.

Hon. Charles Sousa: That's a good point.

Mrs. Amrit Mangat: What is our government's plan to invest in infrastructure?

Hon. Charles Sousa: It's critical that we continue to invest in infrastructure. We've made that part of our six-point plan. We have already invested more in the last eight years than all governments combined. It has been a big part of our stimulus package to try to be strategic in those investments to protect and grow our economy. We will continue to invest \$35 billion, over the next three years, dedicated to modern infrastructure to enable us to be more competitive and to ensure that those businesses that want to come to Ontario have greater access, greater dependability. We have some of the best roads and systems now in Ontario than we've ever had in the past. We need to continue to invest in that so that we can continue to attract even more. We're located in proximity to the largest trading partner in the world, and we want to make certain that those companies that invest in Ontario will have access to that market as well.

Mrs. Amrit Mangat: How much are we investing in the future? Can you give us a—

Hon. Charles Sousa: In infrastructure?

Mrs. Amrit Mangat: Right.

Hon. Charles Sousa: We've made a dedicated amount of \$35 billion for the next three years.

Mrs. Amrit Mangat: Thirty-five billion?

Hon. Charles Sousa: Yes.

Mrs. Amrit Mangat: Thank you.

The Chair (Mr. Michael Prue): There's approximately a little over a minute left.

Mr. Rob Leone: Talk about the Hells Angels again.

Mr. Mike Colle: We should talk about the downloading of the Conservatives, how many billions of dollars that they've downloaded on municipalities and their property taxpayers. I remember they downloaded highways—

The Chair (Mr. Michael Prue): This is not a line item.

Mr. Mike Colle: —they downloaded the social services. They downloaded court costs, ambulance service—all those downloads. I'm just wondering—

Mr. Rob Leone: Point of order.

The Chair (Mr. Michael Prue): On a point of order.

Mr. Steven Del Duca: The question is coming.

The Chair (Mr. Michael Prue): The question is coming? I haven't heard anything that's a line item. I have a point of order here.

Mr. Steven Del Duca: He's downloading his question.

Mr. Rob Leone: Oh, you guys are downloading? Okay, good. We'll continue the question, then, if they're downloading.

Mr. Mike Colle: What I'd like to know, Minister, maybe in the next round of questioning, is, we as a government and you as Minister of Finance have been involved in the uploading of those municipal costs that were downloaded to the tune of billions of dollars on poor property taxpayers, I know in my riding and in towns and cities all across Ontario. What is the status of that uploading of costs, and what is the formula being used about which costs are being uploaded? How much of ambulance has been uploaded, how much of welfare costs and how much of court costs? So I'd like, maybe in the second round, to get sort of a state of the nation on uploading that your ministry is doing.

The Chair (Mr. Michael Prue): Okay. There is not time to answer it at this point, but if you want to hold your thought or if you want to respond later, then that can be done. The question has been asked.

We will go to the Conservatives for the next 20 minutes. However, I must warn you that, in the event of a bell, which I anticipate may happen at about quarter to 6 or 10 to 6 today, we would have to leave. It would be my intent, if that is the case, if there is a bell at 10 to 6, to adjourn for the day at that point rather than come back after 6 o'clock, when we can't ask any more questions anyway. Okay? Just to let you know that you have 20 minutes.

Mr. Rob Leone: I'm surprised, Mr. Chair, that you don't think that there's going to be unanimity when we vote in the House on our opposition day motion, but I guess we'll soon see if that is the case or not.

Minister, I know I had a brief question before our time was up last time, and I want to come back to the issue about how capital expenditures are reported in the budget. It seems that they're tacked on to total debt and then you use the concept of net debt, because obviously net debt—I don't want to use the words "cancels out," but in a sense it does—the assets of the government. Therefore, that's what you're focusing on. So when you say that you're spending \$35 billion over the next three years on infrastructure, what does that mean to the total debt? Does that mean the total debt is going to increase by \$35 billion?

Hon. Charles Sousa: It's more appropriate for us to look at net debt, which includes deficit accumulation as well as capital investments, so it includes the debt that has been borrowed for capital investments. We also depreciate those investments over time, so a component of it is actually expensed and accounted for in our budget on an ongoing basis. So it's not the entire amount that would not be recorded—I think you're getting to the point of how much of it is recorded and how much of it is borrowed. We recognize that some of it is expensed and is recorded. The borrowing accumulation of some of those capital improvements are recorded as well. Highlighted on page 31, we actually talk about some of our planned infrastructure expenditures by sectors, and it talks a little bit about the implication that it has overall.

Mr. Rob Leone: So the actual increase in debt includes the accumulated deficit, the deficit plus the capital

expenditures of the government? That's what I'm trying to get at. I'm just curious; I'm trying to understand how it's all recorded.

Hon. Charles Sousa: It's a good question. Right now, that's why we're talking about net debt, because we want to ensure that the public and people are aware that we can't measure this based on deficits alone, because we're in a deficit position. We are borrowing and have to because of the deficit that exists and, as Gadi has explained already when he's been here—he's talked a lot about the degree at which we borrow on a capacity. In our chart we talk a little bit about those ratios and our ability to afford the debt. So we need to monitor that, more so than anything else, so as not to find ourselves in a position where we're borrowing beyond our means.

Mr. Rob Leone: In the Legislature today we're talking about—I note on the television that's in the room that they're talking about an extension of the subway to Scarborough, at a cost of \$1.4 billion. I think that's the estimate of your government's current plan, if you will; obviously, I think that changes almost weekly. Would the people of Toronto and the people of Ontario expect that the debt would increase by \$1.4 billion on account of the infrastructure project being completed?

Hon. Charles Sousa: I go around the province doing consultations, explaining to individuals, determining what priorities we want to make. There are initiatives and investments that we must make in order to improve our competitiveness, requiring increasing the debt. That's why we want to make certain that we make choices as to where we invest and where we cut spending, because the offsets are also continuing to cut our spending to ensure we can afford this.

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Mr. Rob Leone: So I wouldn't be incorrect to say that if the subway is in fact built, people in Ontario are going to have an increased debt by that amount. I wouldn't be incorrect in saying that?

Hon. Charles Sousa: That's highlighted in our budget. I'll go over to the deputy. We clearly outlined how the debt is accumulated and why and how it is affected, for what programs are creating the debt. Go ahead, Deputy.

Mr. Steve Orsini: It's a question of when the government flows the \$1.4 billion. Our understanding, based on the Ministry of Transportation estimates, is that it's going to be likely beyond 2017-18 as the time frame.

It may not have the full impact on the dollar-for-dollar, because the government will possibly have other capital offsets and other things that might mitigate that dollar-for-dollar addition to debt. So it really depends on the circumstances, when the government flows that money, as to whether or not there will be a direct \$1.4 billion added on to debt.

Mr. Rob Leone: But essentially, if a subway is extended, there will be more debt. Is there a percentage that would be—could you give us an idea of how much that would be in terms of—

Hon. Charles Sousa: Again, it's about timing, and it's about when the investments are made. It won't happen all at once, right? It's going to be over a period of time. As mentioned, there is a system of borrowing and access to capital that the province takes, and it's offset through those initiatives.

Mr. Rob Leone: In essence, so I'm clear, then, the question of how infrastructure projects are financed in Ontario—it's mostly financed, if I can get this correct, through borrowing. Is that true?

Hon. Charles Sousa: Infrastructure Ontario does have a number of proposals. We have a number of them that are done through institutions as well. We have a lot of private investors participating in some of these initiatives. We've seen that in a number of hospitals and other builds.

Mr. Rob Leone: So the answer is yes?

Hon. Charles Sousa: There's a component that's private, and there's a component that goes by debt.

Mr. Rob Leone: In the absence of public-private partnerships, the answer to that is yes, that infrastructure projects in Ontario are financed by borrowing, correct?

Hon. Charles Sousa: The component on the timing of those that are done—I mean, we can clarify as to—you're asking for a specific project. We're suggesting to you that there's revolving debt that's accumulated, that we use then to invest in certain projects.

Do you want to clarify?

Mr. Steve Orsini: Some of the capital projects are with other partners. The full amount—not necessarily saying it can be added to borrowings. The province is also depreciating old capital investments that are still rolling through. So you have to look at the depreciation, the additional capital amounts, as to come up with a total impact on borrowing overall.

Mr. Rob Leone: When you're investing in infrastructure—I noticed in the House today, during question period, your transportation minister likes to claim that you're a party of writing cheques. I'm just going to assume that the cheques that are being written are being written on an overdraft account.

Hon. Charles Sousa: No, I think what my colleague is saying—

Mr. Rob Leone: We actually don't have the money to pay for the infrastructure projects beforehand.

Hon. Charles Sousa: No, he's saying that there has been a commitment made by the province to invest in these initiatives, and we're looking for a commitment of that same amount, or more, from different orders of government to do the same. Right now, the province has made that commitment to proceed with these investments.

Mr. Rob Leone: But don't you think that's an untold story, that people think that when they're getting new subways, bridges or schools—and assuming that they're not public-private partnerships—they're expecting that the government actually pays for those infrastructure projects when they actually have the money for it, rather than dipping in further into debt and further into the red?

Don't you think they have an expectation that you have the money to do that prior to engaging in these sorts of things?

Hon. Charles Sousa: Mr. Leone, in all the time that your party has been in government and has provided for budgets, their debt went up, for the very reasons that you've just stated. The government of today's budget is \$117 billion. Twenty years ago it was only \$20 billion. There are different circumstances, different infrastructures, different investments and different initiatives that go forward. In fact, we have been very determined and disciplined by which we do so. That's why we've actually been able to offset about \$22 billion in accumulated debt that we had anticipated initially. Because of the measures that we've taken, we've had to not borrow almost \$22 billion.

Mr. Rob Leone: We have lots of questions about the nature of your investments and having money before you actually engage in that. We talked at length last time we were here about whether there is, in fact, a plan in place to balance the books by 2017-18. I certainly claim that there isn't a plan to do that. I don't think you have a credible way of doing that.

In addition to that, there have been media reports within the last week that suggest that your caucus is actually quite divided on how and whether you should stay committed to that 2017-18 deadline or whether you should soften that target. What's the position of the Minister of Finance on that?

Hon. Charles Sousa: No. We are committed to eliminating and tackling the deficit as planned by 2017-18. We've succeeded in exceeding our targets year over year. Last year alone, by audited reports, we even did better than initially anticipated because of the measures of cutting our spending.

We're going to continue to make those determined efforts, but we're not going to jeopardize Ontario's future by not investing in those very initiatives to create growth and create jobs. This is our competitive advantage in the long term, so we need to make those investments strategically as well.

It's about taking a balanced approach. We could aspire to some of the suggestions made by your party to do even greater austerity measures and across-the-board cuts that would hamper our sensitive recovery, but we're not going to do that. We're going to invest in those subways. We're going to invest in public transit. We're going to invest in municipalities. We're going to invest in health care and education, for the future benefit of society. It's part of government, and those are the tough choices that have to be made.

Mr. Rob Leone: When you have half of your caucus, and even half of some cabinet ministers within the cabinet, questioning whether you're going to actually make those targets and potentially soften it, does that not give us a sense that the government is not committed to balancing the books by 2017-18?

The reality is, you haven't given us any indication of how you're going to do that. We've tried to actually get

some information from you and your ministry about the "out years." We don't have enough information to actually understand how you're going to balance the books, and yet we have people in your own caucus actually actively questioning the resolve of your government and you, as finance minister, to actually balance the books, and actually wanting to extend that deadline even further. So how does that give confidence to anybody that you're going to stick to your commitments going forward, knowing that there is dissension in your ranks?

Hon. Charles Sousa: There's no dissension, and you're making this up. So the premise of your question, I can't accept—

Mr. Rob Leone: I'm not making it up.

Hon. Charles Sousa: —but I can say this: Let's talk about what actually does occur and what has occurred. Every year, the out-years are always estimates and they're always difficult to determine. Some of the proposals being put forward have been adjusted as a result of the continuing global recession.

Notwithstanding that, we have taken extra steps to control our spending, more so than before, because now we've even proven that we can have negative spending, which has occurred. It hasn't occurred in over a decade. We outlined very clearly the restraint in our growth and spending: Year over year, it has been less than 1%.

We have taken reports and recommendations by Drummond and others to determine what we need to do to transform government. His assumptions were—and you keep using some of those assumptions—as to what would be the worst-case scenario. Had it not been for some of those deliberations and reports, we wouldn't be able to make the decisions that we've made to control some of those worst-case scenarios, to the tune of \$1.8 billion in pension transformation. That alone is giving us greater benefit in those out-years.

We have illustrated our ability to outperform. We have illustrated, through our six-point plan, the steps we're going to do to continue to invest and promote those jobs and economic growth. To use your party, we've been very conservative in terms of what it is that we're doing to address those out-years. So we'll continue to make those tough choices, but we are also going to hold to values of being fair and socially responsible to those most vulnerable.

Mr. Rob Leone: Minister, program spending in the province of Ontario is scheduled to be \$117 billion in 2013-14; the following year, as I state here, \$118.3 billion. Then the totals from 2015-16, 2017-18, \$118.8 billion and then falling to \$118 billion. So that means you're going to cut spending, particularly in the last year of your fiscal plan, but you have not done anything to tell us what those cuts are going to be. How am I supposed to give any credibility to a plan where you haven't actually outlined the kinds of steps you're going to take to actually reduce government spending. After two years of growth, you're actually going to have to cut back.

Interruption.

Mr. Rob Leone: Saved by the bell, Minister.

The Chair (Mr. Michael Prue): You can finish your question.

Mr. Rob Leone: That's my question. I want to see if he can give me an answer.

The Chair (Mr. Michael Prue): We have 10 minutes, so just one answer and then we're out of here.

Hon. Charles Sousa: I do appreciate the question, because it's critically important that people and the public recognize—it's one of the reasons we've included in here accountability and transparency; it's one of the reasons we have introduced a Financial Accountability Officer to look at the integrity of those numbers going forward—

Mr. Rob Leone: But what are the cuts you're going to make?

Hon. Charles Sousa: The out-years are always difficult, but we've recognized that measures around the world and the austerity measures that occur are not as a result of the decisions made necessarily by the government but are forced upon them. We don't want to be in that position; we want to be the government that takes

control of the way we're proceeding. We control our spending year over year. We've taken very extraordinary measures not to do across-the-board cuts but to take a balanced approach so that we can continue to stimulate growth. We've cut FTEs; we've controlled our envelope for spending. We have a number of ministries that have now cut their spending more than they did in previous years. These are now providing positive results going forward. If I look at year-over-year growth in program expenses in our report to public accounts in 2012-13, our annual growth rate in 2009 was 12%. It fell in 2010 to 4.5%, and it fell further in 2011 to 0.9%, and it went below 0.4% in 2012. We reduced that spending.

Mr. Rob Leone: You have to reduce spending by \$1 billion for the last year, and you haven't outlined it.

The Chair (Mr. Michael Prue): Okay. I'm going to stop it there. We have eight minutes to get upstairs.

The meeting is adjourned until Tuesday, the 24th of September at 9 a.m. I think at that point, we're going to have about two hours and a bit left in this ministry.

The committee adjourned at 1754.

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Standing Committee on Estimates

Ministry of Finance

Comité permanent des budgets des dépenses

Ministère des Finances



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 24 September 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 24 septembre 2013

The committee met at 0901 in room 151.

MINISTRY OF FINANCE

The Chair (Mr. Michael Prue): We will call the meeting to order. We are here to resume consideration of the estimates of the Ministry of Finance. There is a total of 3.02 hours remaining. When the committee was adjourned, the official opposition had less than one minute in their rotation, but before we deal with that—because the minister has indicated, we've heard, he may be a minute or two late—there are other items that we have to deal with.

I just want to make sure that the members, first of all, have received from Ian Morris, the research office, the information on OECD countries. That's the top page. All members would have that.

As well, you will have a copy of a letter addressed on September 20, 2013, to the Clerk of the Committee, signed by Steve Orsini. The letter by Mr. Orsini has to be dealt with first.

On September 18, 2013, the Standing Committee on Estimates passed a motion requesting that the Ministry of Finance produce certain documents with respect to the Ontario Northland Transportation Commission, ONTC. At the time, I allowed the motion to proceed because it was unclear whether it was beyond the scope of the review of the 2013-14 estimates of the Ministry of Finance.

After consultation with officials from the Ministry of Finance and further consideration of the matter, I wish to advise members that the motion previously adopted by the committee is beyond the scope of the review of the 2013-14 estimates of the Ministry of Finance, as the ONTC is not a line item of the ministry's estimates before the committee. The effect of the motion is therefore null and void.

If the information is requested, it has to be requested through the Ministry of Northern Development and Mines. I cannot remember: Have they been called before? Are they on the list?

The Clerk of the Committee (Mr. Katch Koch): No, they're not.

The Chair (Mr. Michael Prue): They're not on the list, so I don't know how the members will be able to obtain it through the estimates process.

Interjection.

The Chair (Mr. Michael Prue): Yes, they're going to have to continue to do a freedom-of-information request or raise it politically in another way.

Mr. Rob Leone: Point of order, Chair.

The Chair (Mr. Michael Prue): Sure.

Mr. Rob Leone: A question to the Clerk: Is it possible, through unanimous consent, to get these documents released?

The Clerk of the Committee (Mr. Katch Koch): No, it isn't, because the ONTC is not a line item—the mandate of the committee is to review the printed estimates—and because currently the estimates of the Ministry of Northern Development and Mines are not before the committee. We are reviewing the estimates of the Ministry of Finance.

Mr. Rob Leone: I would assume that the Ministry of Finance has some level of involvement in preparing all the estimates. Is that not the case?

The Clerk of the Committee (Mr. Katch Koch): I wouldn't know. There may be documents from the ONTC at the Ministry of Finance, but because it's not a line item of the Ministry of Finance, it's beyond the scope of the committee's review.

Mr. Rob Leone: So we're only able to deal with the line items of the Ministry of Finance in this committee?

The Clerk of the Committee (Mr. Katch Koch): Correct.

Mr. Rob Leone: So even if the Ministry of Finance had a role in preparing the estimates for other ministries, we're not able to ask questions of those ministries? Is that what you're suggesting today?

The Clerk of the Committee (Mr. Katch Koch): Correct. You are reviewing the 2013-14 printed estimates of the Ministry of Finance.

The Chair (Mr. Michael Prue): If I might just add, the members of the committee had the opportunity to call whichever departments they wished, and the ministry responsible for Ontario Northland, the Ministry of Northern Development and Mines, was not called. Therefore, we have to deal with finance.

The minister has not arrived as of yet. The Conservatives have the floor. You have staff here if you have a staff question. We could continue to proceed. If you don't have a staff question for your last minute, then I would have no option other than to recess until the minister's arrival.

Mr. Rob Leone: How much time do we have in the rotation?

The Chair (Mr. Michael Prue): Approximately one minute.

Mr. Rob Leone: Really?

The Chair (Mr. Michael Prue): You have one minute, yes.

Mr. Rob Leone: I thought we had more than that.

The Chair (Mr. Michael Prue): No, one minute. And then it goes to the NDP. If you have a one-minute question, then we can proceed with the staff. If not, we will recess.

Interjections.

The Chair (Mr. Michael Prue): If there are questions of staff, we're going to continue.

Mr. John O'Toole: The one thing that I'd like questioned is, when you look at youth unemployment—I read a report recently that questioned whether or not it was the proper gapping of numbers. Youth are described as 15 to 24 in the unemployment rate. What's the skew here? Basically, I think it should be 15 to 20. It's the group above that that we should be looking at in terms of the ones that have graduated—so it would be 23 or 22 and higher. It was on a Steve Paikin show the other night—that question about how they report youth unemployment, the grouping of the ages. So 15 to 20 would probably be more appropriate than 15 to 24. I think the number would be less.

I'd like a breakdown because it isn't really—and if you look at the map here, it doesn't show that it's particularly out of line when you look at other countries. Even the anomaly with Japan on the chart: It shows Japan as having 140%, whereas when you look at the other chart on the chart table 2, it shows that Japan is only at 6% in July. The numbers are just that, they're numbers—

The Chair (Mr. Michael Prue): Well, I'm going to have to leave that because that's the entire minute. I think this is more a question for research.

Mr. John O'Toole: Sure.

Mr. Rob Leone: Can we endeavour to get—

The Chair (Mr. Michael Prue): Yes, if research can discover that before the next—we're probably going to finish this afternoon, so I don't know. It may have to come after.

All right, that's the end—

Mr. Mike Colle: Point of order.

The Chair (Mr. Michael Prue): Point of order. Yes?

Mr. Mike Colle: I'd like to thank research. I made this request for this information. I'd like to thank research for the very succinct and very clear and understandable tables which responded to my questions about youth unemployment in OECD countries, government net debt to GDP. I think they're very helpful, and it's really something that anyone can use very readily. I'd just like to thank research for the good work on this—it's really to the point without being too detailed, but enough to give us a really good insight into these questions that I asked last week—and the speedy response too. Some-

times they're not acknowledged, but I'd like to thank research for the good work.

The Chair (Mr. Michael Prue): Your point is well taken.

Going on to the third party: Do you have questions of staff? Or do you want to wait until the minister—

Ms. Catherine Fife: I want to wait for the minister.

The Chair (Mr. Michael Prue): Fine.

Ms. Catherine Fife: A 10-minute recess, please.

The Chair (Mr. Michael Prue): Okay.

Mr. Rob Leone: Chair, just a question.

The Chair (Mr. Michael Prue): We'll just deal with any housekeeping things.

Mr. Rob Leone: How much time do we have with the Minister of Finance?

The Chair (Mr. Michael Prue): Approximately three hours and two minutes, from the look of it. So this morning would be about an hour and a little, and then we would have approximately two and a half hours this afternoon. We should be finished with the Minister of Finance today.

Mr. Rob Leone: Well, it depends when he gets here, I guess. His delay is probably going to mean he's going to come back tomorrow, which is his doing.

The Chair (Mr. Michael Prue): No, no. If required—*Interjection.*

Mr. Rob Leone: Well, you never know there, Steven.

The Chair (Mr. Michael Prue): It also depends whether there are motions and other debates which don't count. It's conceivable we could finish today, but if not, we'll be back tomorrow. That's the rules.

Okay. There has been a request for a recess. We're going to recess until the minister arrives. Please don't go too far. When the minister arrives, we're going to start right in.

The meeting is recessed awaiting arrival of the minister.

The committee recessed from 0910 to 0915.

The Chair (Mr. Michael Prue): We will call the meeting to order. Most of the members have returned and the rotation now goes to Ms. Fife.

Ms. Catherine Fife: Thank you very much. Good morning, Minister.

Hon. Charles Sousa: Good morning.

Ms. Catherine Fife: I'm going to start this morning on some questions around Infrastructure Ontario, mainly because yesterday we met with COCA and they indicated some concerns around the way contracts are being awarded and the bundling of contracts, and how that is potentially preventing Ontario firms from entering into a competitive bidding situation.

I know that originally the government was going to avoid, sort of, P3s and you have the alternative financing procurement process. Can you tell me a little more about that process? Can you tell me how the risk premium is calculated for AFP financing, because that's a big part of how you pay consortia that win the projects?

Hon. Charles Sousa: As you know, Infrastructure Ontario oversees much of the processing of contracts and

the awarding of construction contracts. Points systems have been worked upon in order to facilitate local companies being more competitive, recognizing also the contributions made by the industry around training and facilitating those skills—we want to be able to provide value for that in those contract awards—also making certain we get the best price and the best value for taxpayers in relation to that. But a number of discussions have been occurring with the trades and labour—with all that are involved.

We have had extensive construction. I know that AFP and other forms of financing of construction in the province have made us extremely competitive. It's being acknowledged by others around the world, recognizing how extensive Ontario has been making in regard to construction contracts. COCA and others have acknowledged Ontario's participation in infrastructure projects, and the insight and stimulus we've put forward have enabled many to weather the recession very well. We're better than other parts of the world, but more importantly, it's nurtured an industry in Ontario that's being used in other parts of the world. It's now enabling us to be export oriented. Certainly, the AFPs and the P3s—

Ms. Catherine Fife: Specifically around the P3s, though—

Hon. Charles Sousa: Oh, yeah. It's been acknowledged—I think we even had reference to it in our budget. It is seen as leadership in Ontario versus other parts—

Ms. Catherine Fife: Minister, I think people want to know, and I want to know, how you develop or how you calculate the risk premium specifically around the P3 model. You call it AFP, but it's—

Hon. Charles Sousa: Yes. As I said, it's about getting the best value for taxpayers, minimizing the risk to the public and enabling us to have the greatest success overall.

Go ahead.

Mr. Steve Orsini: One of the things—we're just trying to find the source, but the government did publish our overall number, based on the estimated savings of going through an open, competitive procurement process through Infrastructure Ontario. We're trying to find that reference.

What Infrastructure Ontario looks at are the total costs. These are not only in terms of looking at the transfer of risk to the private sector but all the costs that are built into any major capital projects. We've seen in the past that in some capital projects, change notices are introduced; that drives up costs. The timing that things get built: If it's not built on time, the costs go up. I think, as soon as we find that reference, it's an all-in sort of savings estimate. It's built based on an open, competitive procurement process.

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Hon. Charles Sousa: There have been recent awards made during the Pan Am development. All the venues have been established. As a result of some of the models brought forward by Infrastructure Ontario and the awards

that have been given, we have actually come in under budget on those capital projects. It just speaks to the way the system is being handled.

Ms. Catherine Fife: Just back to how the risk premium is calculated, you do use some sort of a comparator, don't you, in calculating that specific number, some number that suggests what a typical cost overrun is incurred in the traditional approach to building infrastructure, some sort of a benchmark? This is what I'm trying to get to: What is that benchmark, and how do you get to it?

Hon. Charles Sousa: Hold on. Greg. will be able to respond to you on this one.

Ms. Catherine Fife: Thank you.

The Chair (Mr. Michael Prue): I wonder, just for the record, if you could state your name.

Mr. Greg Orencsak: Greg Orencsak, associate deputy minister of finance.

In terms of the benchmarks themselves, those are benchmarks that I think Infrastructure Ontario is best positioned to speak to as the party that delivers and contracts for the projects themselves. I think the deputy referenced some specific project and value-for-money savings. Some of those were published in the 2012 budget on page 41.

On a project-by-project basis, there are some examples. Since 2005, there have been 20 large complex infrastructure projects that have been delivered through the AFP model. Some of the examples there are in the order of \$64 million of value-for-money savings, for example, in terms of the Ministry of Government Services data centre in Guelph. There is an example there of value-for-money savings in terms of the Credit Valley Hospital in Mississauga.

The government put out a report on its long-term infrastructure plan, Building Together. I think that was in 2011. That has more figures that the deputy referred to in terms of overall savings through value-for-money delivery. We can get that report for you if you'd like.

Ms. Catherine Fife: So you don't have a formula or a broad framework to evaluate risk when you're entering into those projects? You're saying that Infrastructure Ontario evaluates the risk.

Mr. Greg Orencsak: There is a risk framework in terms of how these projects are entered into. Infrastructure Ontario works with the partner ministries before determining the delivery model. Not all of the projects that the government delivers are done through an AFP model; it depends on that risk framework as to which delivery model is chosen.

Ms. Catherine Fife: Which delivery—okay. Stay there; I'm still on this. I'm not sure—perhaps an answer will be forthcoming. I don't want to sound cynical, but I'm sounding more and more cynical, actually, since I got to Queen's Park for some reason. I don't know.

Mr. Steven Del Duca: Aw. I feel the opposite.

Ms. Catherine Fife: Oh, I know. Great empathy for me; that's wonderful.

But there are some who say that the risk premium number is, for lack of a better word, cooked and that it's calculated to simply compensate for lower government borrowing costs, lower transaction costs, for example. In other words, whatever number is needed to justify the AFP approach in a particular project is fabricated to make sure that the AFP or the P3 approach seems to be cheaper. I guess this is somewhat political, but there's also a technical piece to it.

There's growing unease with the P3 model because citizens in the province do not see that they're getting good value for that. I think we should all be concerned with, down the line, who's assuming the risks for these projects—it's the citizens—and also the nature and the quality of the project.

Minister, perhaps you could address what is a political and a technical question, please.

Hon. Charles Sousa: As noted already, we have to take a look at the total costs and being on time and ensuring that we execute these contracts in such a way as to save money a long ways out. That has happened in the negotiations, for example, with the Pan Am/Parapan Games. We cited in our budget last year the savings of over half a billion dollars as a result of some of the initiatives we've taken, especially with value for money.

Most recently, in our budget, I cite the following—and it's important to note what you've just said, and that is to ensure that the integrity of what we're doing is understood, not just by what we as a province are saying, but by what other experts are saying. This is The Economic Impact of Public Infrastructure in Ontario, by the Conference Board of Canada:

"The Conference Board of Canada recently published a report that assessed the economic impact of public infrastructure investment in Ontario. Citing Ontario's recent and planned real infrastructure investments from 2006 to 2014, the report states:

"In addition to the short-term economic activity generated by the construction phase, investments in public infrastructure provide a significant and permanent boost to overall potential output (i.e., GDP).

"Public infrastructure supports an annual average of approximately 167,000 direct, indirect and induced jobs, including nearly 195,000 in 2013. (Induced jobs are generated by the spending from those directly and indirectly employed.)

"This average mainly includes approximately 23,000 jobs in manufacturing, 49,000 in construction and 88,000 in business services (e.g., transportation, wholesale and retail trade, and financial services).

"Public infrastructure supports private sector production by helping provide an educated and healthy population as well as assets (e.g., transportation networks) relied on by businesses. It also helps boost private sector productivity and leads to business investments in new technologies and capital."

Ms. Catherine Fife: So this is still from—you're still reading—

Hon. Charles Sousa: One more. I want to finish reading this quote.

"Total productivity growth is a significant long-term driver of competitiveness and real per capita income. The cumulative increase in the stock of Ontario's public infrastructure helped boost the province's productive capacity in the range of 1.1% to 2.6% in 2012."

This is on page 29 of our budget—citing an independent report based on the activities of our infrastructure investment and the AFP models that have been employed to establish this success.

Ms. Catherine Fife: So when the Conference Board of Canada did that assessment, that's for 2011?

Hon. Charles Sousa: That's 2006 to 2014, citing that it was written in April 2013.

Ms. Catherine Fife: So they're forward-thinking; they don't really have the numbers right in front of them?

Hon. Charles Sousa: I just mentioned they reviewed what happened from 2006 onwards.

Ms. Catherine Fife: I think, though, that when you cite savings, you're also projecting savings, and quite honestly, we haven't seen those savings realized. You cited the Credit Valley Hospital as an example. There have been some ongoing issues with that project that we all know about.

Also, I think that it's important for us to understand, first, the risk assessment piece down the line, not just today. It's one thing for us to say, "This project right now is on time," but there are also outstanding questions about who is being awarded those projects. The infrastructure file is so massive because there has been such a deficit over the years. Going forward, we have to get Infrastructure Ontario right, and the people of this province certainly have to understand how you're coming up with that risk, how that risk premium is calculated, because there are some outstanding questions about it. I look forward to getting that from the staff, going forward.

How much time do I have?

The Chair (Mr. Michael Prue): About eight minutes.

Ms. Catherine Fife: Thanks.

I was going to move on to the new co-operative securities regulator. Will the new regulator require provincial legislation, as a starter?

Hon. Charles Sousa: It would. It's important to talk about the co-operative regulator and what has occurred here. Two provinces sat down to put forward this co-operative regulatory system. It was both British Columbia and Ontario. The decision criteria were based around whether it will provide greater consumer protection, whether it will enhance competitiveness by improving costs overall and whether there is an economic benefit, as well as showing provincial respect, because it is under provincial jurisdiction.

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More importantly, it has also been established to show the international communities, to build on the strong reputation that Ontario has, and to ensure that all of Canada is co-operating with one single regulator for the

purposes of initiating even greater opportunities, not just for Ontario but for Canada.

The other item in making this decision was around the governance component, to ensure that we improve our governance, monitor the systemic risk and enable greater enforcement, to mitigate some of those risks.

What came together was a provincially led co-operative system, and the federal government chose to, and asked to, participate in what we were doing.

Ms. Catherine Fife: Okay. What's going to happen with the existing Ontario Securities Act, then?

Hon. Charles Sousa: The Ontario Securities Commission exists, as do 13 other regulators at this point, and we're trying to amalgamate them into one. We'll have a council of ministers overseeing and making the decisions and voting to establish a board of experts who would control this co-operative system. That board would appoint one chief regulator, and that chief would then appoint some deputies throughout the system.

Ms. Catherine Fife: Is the idea that this proposed legislation would be very similar or identical to BC's? Are you looking at some alignment between BC and Ontario?

Hon. Charles Sousa: The chief regulator and the executive offices would be housed in Toronto. It would have representation in BC and other provinces that wish to sign on, and it would be a common system of legislative requirements.

Ms. Catherine Fife: Deputy?

Hon. Charles Sousa: Go ahead.

Mr. Steve Orsini: Working with BC and other provinces, should they join, the idea is to come up with a common, consistent set of legislative rules that each province would use best efforts to have approved by their legislatures. It might have a lot of what the current Ontario Securities Act has or what the BC act has, but it will be a common set, negotiated by all parties.

Hon. Charles Sousa: It will be a uniform system, uniform provincial and territorial legislation.

Ms. Catherine Fife: Okay, so there will be some alignment. It's not going to look exactly alike, because they're different provinces, right?

Mr. Steve Orsini: And it's a chance to update the legislation as well, to reflect more current, contemporary legislative drafting in those—

Hon. Charles Sousa: It will also be complementary with the federal legislation that's being banded about.

Ms. Catherine Fife: In your analysis of the new co-operative securities regulator going forward, have you given any thought to protecting some of the jobs in the Toronto securities industry? Have you done some analysis of what this new regulator—what the fallout will be for—

Hon. Charles Sousa: It will be an enhancement to what's happening in Ontario and provide even greater support throughout the country. It will avoid duplication of costs through the system, but there won't be an impact for Ontario in terms of costs or associations. It will only

improve our system and support those that are doing the work now.

Go ahead.

Mr. Steve Orsini: The agreement is very clear that the current offices continue, that they continue to perform the functions they do now. They'll continue performing those functions and then, going forward, it will be under a common national co-operative securities regulator. There is, clearly laid out, an agreement of principle to protect those jobs, but under a new structure that, over time, will find those streamlined processes and decision-making—

Hon. Charles Sousa: We laid it out in our framework.

Mr. Steve Orsini: It continues the current structures—

Ms. Catherine Fife: But in the framework, as it stands right now, there's no guarantee that's built into the agreement to protect jobs in the Toronto securities industry. There's nothing—

Hon. Charles Sousa: It is very clear that it is a Toronto-based executive office, with Toronto jobs being protected, and we lay out very clearly what we need to do.

Ms. Catherine Fife: But you did mention that you want to avoid duplication. Duplication would assume that there's—

Mr. Steve Orsini: The key issue here is that right now there are 13 securities commissions across the country.

Ms. Catherine Fife: Yes, I know.

Mr. Steve Orsini: They're all doing the same thing but looking at different rules. That's been the challenge. Businesses trying to issue shares—raise capital to invest in the country—are having to go through different regulators to get approval. They still need to do the work; it's a question of what rules they are enforcing. To move to a common set of rules will actually reduce the cost to raise capital in the country, but these functions will need to continue.

Ms. Catherine Fife: What kind of timeline are you looking at? In your opinion, how is this proceeding from a timeline perspective?

Mr. Steve Orsini: The agreement in principle lays out specific milestones, and the idea is to have this up and running by the middle of 2015.

Ms. Catherine Fife: Okay. So you don't see any job losses in Toronto, based on this new model, and the existing Ontario Securities Act will stay as it is right now?

Mr. Steve Orsini: There will need to be transition rules around when you migrate from the current legislative structure to this new legislative structure. That work needs to be developed. The same with the OSC and its structure reporting to a new chief regulator for the entire country—for those jurisdictions that are participating, those transition rules still need to be worked out.

The Chair (Mr. Michael Prue): I have to stop you there, because the time has expired—

Ms. Catherine Fife: Thank you. I'm done.

The Chair (Mr. Michael Prue): —and we're off to the government.

Mr. Steven Del Duca: Thank you, Minister, for being here with us again this morning. I think there's going to be a few of us from this side asking questions over the course of the next 20 minutes, is it, Mr. Chair?

The Chair (Mr. Michael Prue): Twenty minutes.

Mr. Steven Del Duca: I'm wondering if you could explain to the committee a little bit about the government's vision or plans for pension innovation here in the province of Ontario.

Hon. Charles Sousa: Yes. In the budget, we make reference to PRPPs, which are the pooled pension plans, as well as still seeking federal government support to enhance CPP; offering more choices for businesses to participate in retirement plans for their employees, many of whom we know still don't have the benefit of a pension plan in Ontario; also noting some struggles that exist with underfunding in certain defined benefit plans in the system. So we're working with organizations to enhance and ensure that pensioners are protected in the long run. We're always reviewing and overseeing the system, but more importantly, it's enabling smaller companies to participate with others in a pooled system so that more of them can have opportunities for their employees.

Mr. Steven Del Duca: Thank you very much. Can you explain to the committee why the Ontario government is pursuing the modernization of OLG?

Hon. Charles Sousa: As we know, Ontario Lottery and Gaming is a big part of the dividend the Ontario public receives to build hospitals and schools and for social programs. But we also want to make certain that the practice and existence of this group of services that are provided is going to be to the best value and support of the public.

There are certain locations and operations that are being cannibalized, and many Ontario investments and individuals are participating in the gaming industry, but in other jurisdictions. We just want to ensure that Ontario is also able to protect the interests of the public by ensuring that those who have to, and wish to, participate are doing so in a way that maximizes the return to the province.

That's why certain locations are being proposed to be changed. That's why they're trying to avoid areas where Ontario is losing, say, to the United States or to other provinces. That's why there are other factors that exist, like Internet gaming, which is a big industry and Ontario doesn't regulate or monitor that. So we're trying to ensure that we review that and ensure that the Ontario public and taxpayers aren't—there's a lot of money being thrown around in this system. We want to make sure we protect those who are participating in making certain that Ontario benefits as well.

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But there has been a lot of restructuring and transformational change throughout the system. We're looking at a few other sites now. We've made it clear that the municipalities that wish to participate make the decision in

terms of where they want a site and how they want to go forward.

I know the agency is estimating over \$1 billion in additional revenues possible within the system now, and so we're just trying to rejig it so that, in fact, it enables some of those potential revenues not to be lost to other jurisdictions but to be gained here in Ontario, all with greater care in the way it's delivered and ensuring that the municipalities and those communities that are hosting these venues and establishments are—doing so with their co-operation and with their support.

Mr. Steven Del Duca: Terrific. Thanks very much. I know in the opening round of questioning this morning, Ms. Fife talked about the fact that yesterday here at Queen's Park, folks from the construction industry, from COCA, were here and were talking to I think close to 50 members across all three party lines. I think we all understand the importance and significance of Ontario's construction industry. I'm wondering if you can share with the committee a little bit of information with respect to the government's plans to not only invest in infrastructure but also use the position of the provincial government to support the importance of our apprenticeship and skills training programs.

Hon. Charles Sousa: It's critical. There were some discussions around the points systems and the way some of these projects are awarded, recognizing the importance of ensuring that we allow and we support those companies that are giving training and skills and support to our young people. So we want to give value in our selection to that.

We certainly want to provide smaller companies with the opportunity of bidding on these projects so that they too can be nurtured and grow. We recognize it's a competitive industry. Ontario is a trading partner, and we welcome participation from all over the world when they wish to compete, but we want to ensure that local companies, local businesses right through the chain, have an opportunity to compete and grow as well.

Certainly the trades, the unions, play a big part in facilitating training and support for their apprentices. We want to facilitate construction companies from all walks and fields, be it COCA's members or be it other members of the system who provide for roads, bridges, hospitals, schools. There's a tremendous amount of infrastructure spending that has occurred in this province with the support of not just the trades but even private investors, pension plans.

We speak about P3s; we forget to mention that some of those private investors are the trades themselves. They are union families that are families in the sense that it's a pension plan from a union that is also investing in those projects. When you have the trades investing, when you have construction companies investing, when you have developers investing and when you have the government participating in a co-operative and systematic measure, it works better for taxpayers all around, and it's done on time. More often than not, it's also done under budget, and we've seen that with regard to recent projects.

It also puts everybody working together. In other words, we in Ontario have a provincial negotiation system with the trades, and they're at the table at the very beginning. So it does provide for a more collaborative approach. As I said, some of the points systems in awarding these things are being modified to further enhance our local companies.

The Chair (Mr. Michael Prue): Mr. Fraser.

Mr. John Fraser: Good morning, Minister. I'm wondering if you could give the committee an update on the implementation of the Drummond report on the Ontario public service.

Hon. Charles Sousa: That's a good question, Mr. Fraser. As you know, we have commissioned Don Drummond and his committee to come forward—there is a number of experts who were part of that committee—to review, and they did so in a very wholesome, holistic way, and look at ways we can transform spending, how we can provide greater value for taxpayers' investment in the very programs we're offering, without sacrificing the quality of those services. Some of the major areas included health transformation, because it's the largest part of our budget. Others included how we can change and how we can maximize the areas around input tax credits.

In our budget, on page 111, we dedicated a chapter to the Commission on the Reform of Ontario's Public Services and how it is and where we are in terms of moving forward on those recommendations. As you may know, there were many recommendations made around transformative initiatives in health care, in elementary and secondary education, in post-secondary education, in social programs, in employment and training services, in immigration, in business support, in infrastructure and real estate, in the environment and in the justice sector, as well as in labour relations and compensation, around operating and back-office expenditures, about government business enterprises. He also talked about revenue integrity—that's what we talked about in regard to input tax credits—and talked about liability management and intergovernmental relations. In that, the province has now moved forward with a total of 60% of those recommendations.

As a result of some of that work, we have actually been able to cut spending. Not only have we been able to be disciplined and controlled of our spending growth, year over year, at less than 1%; as we know, in public accounts, the auditor noted without question that Ontario actually cut spending last year by 0.4% on program spending and to a total of 0.1% less on total spending. When you look at some of the initiatives in health care, for example, the recommendations are substantive. Now, it requires investment, but the net benefit is what we need to measure. He has recognized this. He has participated and reviewed some of the recommendations we've already implemented.

Of course, there are certain recommendations that are not being assumed; we have to make choices. The opposition have asked us to implement them all, but at the same time, they don't want to implement a bunch. They

too—everyone recognizes there are certain things that the public still wants to receive. We'll do what's necessary to protect the public interest while, at the same time, reducing costs effectively and just basically operating more efficiently to be more effective in the way we move forward. There are a number that we're still working on. We're still looking at ways to—these do take time. It's also making us more accountable.

There's also the Benefits Transformation Productivity Team to consider some of these approaches so that we can continue drilling down on the things we need to do. There are issues around network services and productivities that are being reviewed in trying to find ways to be more robust, even around networks and technology.

Those sorts of things are things he touched upon. I'm pleased at the extent to which we've been able to accomplish things. We know that we will be diligent and required to continue on some of the tracks he's put forward. It's there, and we're working hard at it.

Mr. John Fraser: Thank you very much.

The Chair (Mr. Michael Prue): Mr. Mauro.

Mr. Bill Mauro: Minister, thank you very much for being here, and good morning to you. I wanted to ask you a question, if I could, about the Ontario deficit in comparison to the federal government. Deficits are an issue that obviously you and your ministry receive a lot of questions about and that our government as a whole receives a lot of questions about. People who would criticize Ontario for the position they find themselves in would pretend, in their criticism, that the recession of 2008 didn't happen and they would pretend that other governments—national or subnational governments around the planet—were not similarly affected. In fact, as we all know, it's a contagion that infected most of the planet in 2008. It had a dramatic effect on those governments and their financial positions as well.

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If you can in your answer—what I like to do when I talk to people about this is use the federal government as a bit of a comparator. The reason I do that is that ideologically we know where they are, and they're dramatically and significantly and publicly opposed to running deficits and accumulating debt. Yet I find when we compare Ontario numbers to federal government numbers on a relative basis, you could say that, federally, they're probably in a worse position since 2008 than Ontario finds itself. I always find it's an interesting little juxtaposition to try and put forward there for the public when they're trying to compare how we find ourselves in Ontario.

So I'm wondering if you could give me a sense of how we're tracking now in Ontario and how we're doing relative to the federal government or perhaps some other national or subnational governments around the world.

Hon. Charles Sousa: Yes, I appreciate the question and I recognize that Ontario's recovery relative to other parts of Canada has been strong and our fundamentals are strong. You're right to look at our debt in relation to our

GDP. I think that's kind of what you're getting at as well—the ability to afford this debt.

All governments around the world, certainly federally, have had to deal with the onset of a recession. It has affected them as well, but it's that net debt-to-GDP ratio that's an important measure. As a result, Ontario's projected net debt-to-GDP ratio for last year or in our more recent year was supposed to be around 39.5%. That compares to other parts of the world where it's at 100% or 80%; it's just out of whack. So that's the ability to afford debt.

The federal number, I don't know offhand, but I believe it's around the same. What we achieved, however, was a reduction to 37.4%, meaning that we surpassed—our performance did well; our relative debt to GDP actually improved. So our ability to afford debt, because of our program cuts, enabled us to fare better.

Our debt has gone up as it relates to the accumulation of deficits, as has been the case for the federal government. Our debt has also gone up as a result of our capital expenditures and our desire to invest, as has been the case with the federal government as well. But we've made some choices in terms of our strategic initiatives and, overall, we have well exceeded our targets. What was supposed to be a \$14.5-billion deficit last year came out at \$9.2 billion, well under \$5 billion or more. This wasn't something that was done based on great revenues. In fact, it was done because of our controlled spending, our negotiated agreements around our labour, as well as pension reforms. This was again audited, unqualified, in terms of our ability to achieve this success.

I don't want to start criticizing other orders of government, but Ontario plays a significant role in the well-being of the nation. The federal government's performance is dependent upon a strong Ontario. So I encourage the federal government's continued attention to invest in Ontario as much as we are investing in other parts of Canada for the benefit of Canada. I look at downloading suggestions by the feds, which will then impact Ontario as it will other provinces. So we have to be careful about those transfer payments and those initiatives. We need to ensure that investments made in Ontario will continue to support our recovery and will continue to support greater GDP. It's not just about our debt amount; it's about our ability to grow our economy.

We know that our out-years are challenged because the economic projection for growth is not as it was, so modest growth targets are impacting us. We will do what's necessary to stimulate growth while at the same time controlling our spending and controlling our deficit, tackling it and eliminating it by 2017-18 and encouraging the federal government to follow suit. They haven't been able to meet their targets, and they're trying to accelerate their balance a year before ours. We believe we're taking a much more measured, more balanced approach to achieve that success.

The Chair (Mr. Michael Prue): Mr. Colle.

Mr. Mike Colle: Thank you. This follows up on the research on net debt-to-GDP ratios that I asked for from

our researchers. Just as a clarification, Canada's net debt-to-GDP ratio is 34.5%, and I think you said ours was 39.5%?

Hon. Charles Sousa: It's 37.4% now.

Mr. Mike Colle: Okay, 37.4%. And the comparator, because I was just trying to see where we were as a province: I know France's is 70.7%; Germany's is even higher, 50.9%; Italy's, 112.9%—poor old Italians. The good ones came here. Anyway, 135.9% for Japan; Spain, 61.0%; Portugal—I know you've got roots there—88.5%; and the United States, 87.1%. So comparatively speaking, I think Canada is doing quite well overall, given that Canada and the whole world went through this recession. I think that Ontario is doing quite well, considering what Ontario went through.

I guess the question is, in terms of continuing to deal with this, what does it really affect: our cost of borrowing—is that what we're worried about? Are we worried about our triple-A rating? Why is it so crucial?

Hon. Charles Sousa: Rating agencies do monitor Ontario, and it's certainly important for us as a sub-sovereign jurisdiction of our size and borrowing capacity. There are investors around the world who seek out Ontario for Ontario's bonds because of the value they get. We are very attractive, especially because of some of the numbers you've just cited. We want to maintain our ratings. We want to maintain our net debt-to-GDP ratio at that monitor. We anticipate it actually going up a little bit more and then tailing down. Our targeted net debt-to-GDP ratio is 27%, and that will take a few years to get to. But the markets appreciate Ontario's concentration and balanced approach to support the recovery.

We take austerity measures to a point. Beyond that, it actually harms our recovery. Some of those markets you just cited are doing austerity measures not by choice but because the markets won't lend them the money—and won't lend them the money at a competitive rate. Ontario has, and we're at the forefront. In other words, we want to control our destiny. We want to invite people to invest in Ontario. The others are begging them to do so. As a result, Ontario's fundamentals are strong, and we will continue to be very diligent in ensuring that the market reflects favourably in terms of what we're doing.

The Chair (Mr. Michael Prue): I have to stop you there. We now go in rotation to the Conservatives.

Mr. Rob Leone: Minister, I'm going to start where we left off last time. I know we were here almost a week ago talking about your own government's projections with respect to your spending. In the last year of your budget, you're going to trim spending from \$118.8 billion to \$118 billion. That's \$800 million, almost a billion dollars, that you're going to trim spending by. So the question is how you're going to do that. What programs are you going to trim? What measures are you going to take to actually reduce government spending in that last year?

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Hon. Charles Sousa: As we've done in the past, we've initiated some of those changes through the way we transform delivery of services; the size of the public

sector has been reduced; and the ability to work with agencies and others to provide the services.

Mr. Rob Leone: So what, specifically, would you be—

Hon. Charles Sousa: I'll run down a whole list of things that we have achieved and where we're headed. Every ministry has been mandated to find additional savings in their system. As a result of that, we've had—I believe over 17 have actually come under budget.

Mr. Rob Leone: How many fewer government employees will you have?

Hon. Charles Sousa: There's an actual number, I believe. We review that on an ongoing basis. I think it's in public accounts. He's looking it up right now. There's a targeted number, and right now there's a number of vacancies there. But there's also a need to increase some FTEs with regard to maintaining Sarnia Jail, for example, providing for other institutions that are coming forward. But it's still going to be within our—

Mr. Rob Leone: Is a broader public sector wage freeze part of your plan?

Hon. Charles Sousa: Sorry. Again?

Mr. Rob Leone: Is a broader public sector wage freeze part of your plan?

Hon. Charles Sousa: Yes. We've been discussing the fact that there's no more money for increased wages, and as a result of some of the expense controls—we've cited them even on page 24 of our public accounts around the controlling of pension expense.

Mr. Rob Leone: Does that include signing bonuses and such?

Hon. Charles Sousa: As I've mentioned, the envelope of wages is established, and they have to live within those means.

Mr. Rob Leone: In a recent Financial Post article, Glen Hodgson, who is the senior vice-president and chief economist of the Conference Board of Canada, says that the Ontario economy is "in tougher shape than anybody else trying to get back to balanced budget" has to deal with.

What do you say about this: "They're in a deeper hole." The budgets from the early part of this decade were predicting robust growth of 4.5% in the province by 2017-18. The conference board, among other forecasters, now expects tepid growth of '2% or less' by that time...." How is that going to affect your ability to balance the budget?

Hon. Charles Sousa: Actually, we're being even more conservative than that. We're actually citing lower growth than the Conference Board of Canada's estimations, and we are being much more frugal and cognizant of the challenges ahead.

One of the items that you should note, though, is that Ontario public sector renegotiated agreements, on average, in regard to base increases, are less than 0.2% from July 17, 2012, to April 3, 2013. That compares to Ontario private sector wage increases of 1.6%, or the federal, for that matter. Their public sector wages went up by 1.6%, and Ontario municipalities' wage increases went up by

1.8%. So Ontario's public sector is actually less than 0.2%. That's cited on page 126, and it cites very clearly our ability to negotiate. And the auditor, unqualified in his report, cited on page 23 our ability to reduce year-over-year growth and expenses, and cited as to how we achieve that.

So, to your point, there are challenges ahead. We recognize that. In fact, we have readjusted our out-years, and I'm going to come out with an economic update in the coming months to talk about exactly that. So we have—

Mr. Rob Leone: Are you going to outline exactly what kind of spending cuts you're going to make?

Hon. Charles Sousa: —identified the challenges ahead in regard to some of the economic slowdowns around the world and the impacts that will have on Ontario and the ways that we will continue to control our spending and find other ways to promote economic growth.

Mr. Rob Leone: I think Ontarians are looking for a plan. They're looking for a sense that they know that this budget, or they're going to have some confidence that this budget, is going to be balanced in a particular time frame. We even have Doug Porter at BMO who is suggesting that the economy can't save the day.

We're asking very simply: You have a plan of spending growth initially and that's tapering off towards the end of your outlook years, but you've produced no documentation on exactly how you're going to achieve those funding reductions. It's almost a billion dollars less that you're going to spend in the out-years—a billion dollars—and you're not outlining exactly how you are going to achieve that, other than saying, "Well, we're going to look here and we're going to look there." That produces absolutely no confidence in the people of Ontario that you're actually going to balance your books in the time frame that you've stated.

Hon. Charles Sousa: I think the people of Ontario's confidence is measured by our ability to provide results, and the results have been a cut in spending, improved performances, exceeding our targets and improved economic recovery. Our six-point plan to growth has highlighted and very clearly stated as to the initiatives that we're taking, our investment in our stimulus package to provide for a controlled measure of recovery, and the fact that we have been the government that initiated transformational change and expense control with Don Drummond. Many of those recommendations are already being initiated. Those results will be felt in the coming years, as outlined in our budget very clearly as to what those transformational changes will be.

We've also initiated other reports—the Jobs and Prosperity report. It cites a six-point plan for increasing jobs and improving economic growth. That too is clearly stated in our budget.

Yet another report that was initiated and included in that was part of the Frances Lankin and Munir Sheikh social reform packages, recognizing that we need to be fair to those who are most vulnerable, enabling them to

get jobs so as not to be penalized. We want to be able to put everybody at their best.

So, Mr. Leone, this is about taking a balanced approach to these initiatives to improve our economic well-being while being socially responsible and ensuring that we have greater prosperity in the years to come.

Mr. Rob Leone: I think, Minister, that when you have people having very gloomy outlooks about what the economy is going to do and how the economy is going to perform over the next little while, and within the same article we have union leaders who are suggesting that the tone from your government has changed radically from the austerity approaches of your predecessor, Mr. Duncan, to now allowing the kinds of things that he was trying to initiate, which was a broader public sector wage freeze—those things are no longer going to happen. Smokey Thomas, for example, is quoted in the article as saying that he doesn't know if there are going to be wars like there were with the teachers, and so on and so forth. We have union leaders suggesting that the tone of your government is changing.

There seems to be a lack of understanding of exactly how much we can believe your government is actually going to achieve the spending reduction targets that you've outlined, because you haven't produced a plan. So we have on the one hand a Minister of Finance who says that we're going to do everything, and then we have the union leaders saying, "We're going to exactly get everything that we're asking for." You've produced no idea, no plan to actually get this province to balance.

The question then becomes, how do we have any confidence that you're going to do this, given the fact that, on the one hand, you're saying that you're going to be fair and you're going to be open, that we have union leaders saying, "We're pretty much going to get what we want," and at the end of the day, there's no plan to say how we're going to get to balance? There's no plan.

Hon. Charles Sousa: Mr. Chair, Rob Leone, a plan has been written and it's there for consumption.

Mr. Rob Leone: But you haven't produced the details.

Hon. Charles Sousa: It's out there. It's detailed—

Mr. Rob Leone: It isn't, though.

Hon. Charles Sousa: It's detailed in terms of how we're going to achieve and implement some of our transformational changes in the various sectors that are affected. It's detailed in terms of how we're going to control our negotiated agreements within the envelope that we've established for the various areas. It's detailed by way of job prosperity and growth through our six-point plan. And it's detailed by way of being open and transparent and accountable, because that's the other component of this: to maintain the integrity of what we're putting forward.

I dare say, Mr. Leone, you're citing various public documents that we have also been using in producing our projections in a much more conservative manner. In fact, we're saying, "You know what? It's going to be tougher than that." We recognize that the out-years are not going

to be easy. That's why we're taking even greater precautions than some of the others are advocating for.

Mr. Rob Leone: So why aren't you outlining what you are going to do, then?

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Hon. Charles Sousa: I just told you, it is. It's outlined here very clearly.

Mr. Rob Leone: But you haven't outlined what you're going to reduce.

Hon. Charles Sousa: We have detailed recommendations on what to do on the various sectors of government that are going to be impacted by some of our spending measures and controls, and we've done so in a very detailed way.

Mr. Rob Leone: So you're not going to fill vacancies in government jobs?

Hon. Charles Sousa: Sorry? Again?

Mr. Rob Leone: You're not going to fill vacancies in government jobs, is something you stated earlier today. Is that—

Hon. Charles Sousa: Oh, no, no, no. Members of your party are asking for us to keep certain institutions open.

Mr. Rob Leone: We're asking for a plan.

Hon. Charles Sousa: You're asking for FTEs on certain programs. We recognize that we have a targeted number of public sector workers that have been established; we're going to be living within those means.

Mr. Rob Leone: Just to slightly change topics, Minister, I noticed that members of your side had produced some numbers or asked about some numbers about comparisons with other jurisdictions. I do want to note, for example, that there has been—let's talk about net to GDP first.

During the NDP years, the net debt-to-GDP ratio went up 17%, which is interesting to note. During the Conservative years in power, it declined by 5%, the net-to-GDP ratio, and so far, you're probably roughly 11 points higher today than we were when we started this exercise. Your government started in 2003.

Again, one of the things that I have a lot of questions about is this question about what actually is our deficit and how do we understand how it's calculated and what the effect of it is on the province's finances. When we were in surplus in 2000-01 and 2001-02, we actually paid down net debt. Net debt went down by the equivalent of what our surplus was. Your government stated a surplus in 2005-06, 2006-07 and 2007-08, where the debt actually increased, even though you were in surplus—supposed surplus, I would say—by \$4 billion. How does that happen?

Hon. Charles Sousa: It's a great question, and I'm pleased to tell you that during some of the heydays and the rising GDP and when we had growth in our economy, the very government that you spoke of chose to under-invest and not invest in capital. They actually went further and downloaded that onto the municipalities.

The function of a net debt-to-GDP ratio is dependent upon debt and GDP. With GDP rising, with no initiatives

by that government, you're going to have a better net debt-to-GDP ratio. If that government chooses not to invest in capital, if that government chooses not to build hospitals or that government chooses not to build schools, if that government chooses to cut nurses and cut health care and download onto provinces, yeah, you're going to have a lower net debt-to-GDP ratio, but you're not going to have a better economy, you're not going to have better services for the public, you're not going to improve our competitiveness long-term, and you're not going to provide for your future generations so that they're in a much better state today.

We choose to do differently. We choose to invest in those capital projects. We choose to initiate enough to maintain our competitiveness so that future generations can be better off than they are now. This identifies very clearly the differences between the different parties in this government. That is why we will continue to do what's necessary to foster that growth by taking that balanced approach. I should also note that even the federal counterparts, who ascribe to the same things, the austerity measures that you've just spoken about—

Mr. Rob Leone: They're doing far better than you.

Hon. Charles Sousa: —are not meeting their targets. They too are increasing their debt, and they too—

Mr. Rob Leone: They're doing far better.

Hon. Charles Sousa: We had, under the previous government, massive, massive surpluses, massive pay-downs to the government coffers in the federal scene, and that has not been the case to date. We have to, especially now when times are tough—

Mr. Rob Leone: Are you serious?

Hon. Charles Sousa: —make those choices that you have chosen not to make. When the markets are slow, when the economy is being compromised, we have to take that extra step to improve our competitiveness.

The Chair (Mr. Michael Prue): Mr. O'Toole.

Mr. John O'Toole: Just respectfully, Minister—and you're quite a good speaker there—I would say that we understand the relationship between debt and GDP, and really what you're ascribing here is—you're castigating the previous decisions made by a government that really did have a different financial arrangement. We actually paid down debt. But here's the issue: This is net debt. You're not showing the off-book debt. You're not talking about the P3 money—that's debt out there that's held by someone else. That is why your debt ratio is so much lower.

It's actually worse than this. It's actually worse than 34.5%. If you took the financing authority from the electricity industry, the P3 projects and the alternate financing projects and added them to the debt line, you'd be at 50%. Don't try to ascribe to a previous government when, in fact, your expenses are higher than your revenue. Don Drummond said it in his report, and you are in a structural deficit. That is, your expenditures are going faster than your revenue stream. Just avoiding the net debt argument that you've tried to prescribe for us this morning—you have to tell the entire truth: that you

haven't built hospitals; you've rented them on future taxes, because the way you paid for that debt is through the operating budget of the hospitals and the schools.

You're not being frank with the people of Ontario when you're saying, "We at least didn't spend money in the future." You've grown the debt—almost doubled it—and the deficit, and the expense side. The economy is slowing, not growing, so anything you have said is almost worth taking an eraser and rubbing it out. In fact, even now it's getting worse. In the world's reporting of debt, I'm not sure how Canada stacks up, but certainly I know that in Ontario, even the announcement you made on subways—you don't have the money.

In fact, you're telling us the deficit is actually larger. It's probably \$11 billion—

Hon. Charles Sousa: That's amazing.

Mr. John O'Toole: You have your time, but I just want him to withdraw almost everything he said in response to Mr. Leone. I would like him to withdraw it all, because it's all false—

The Chair (Mr. Michael Prue): Oh, wait a minute. No—

Mr. John O'Toole: —and if anybody believes it, they're on a pipe dream.

The Chair (Mr. Michael Prue): I think you're stepping over the line in your last statement.

Mr. John O'Toole: Well, I sat and listened to him.

The Chair (Mr. Michael Prue): I know. I allowed it up until then, but I think that last statement was over the line—

Mr. John O'Toole: I'd like a bit more time.

The Chair (Mr. Michael Prue): No, I think you should withdraw that.

Mr. John O'Toole: Well, I'd say that the minister, in his rebuttal, could probably soften his position on the previous government.

The Chair (Mr. Michael Prue): I think you should withdraw the statement that what he said was false.

Mr. John O'Toole: I would certainly not want to insult the member, so I would withdraw, if he took it as an insult, but if it's the truth, then—

The Chair (Mr. Michael Prue): I think it has to be unequivocal, just like upstairs.

Mr. John O'Toole: Okay, it's unequivocal. It's withdrawn.

The Chair (Mr. Michael Prue): All right, thank you. You've made your statement. The minister can respond.

Hon. Charles Sousa: Thank you, Mr. Chair. Mr. O'Toole, I responded the way I did because the premise of the question was based on the comparison of the two previous governments. It was delivered to me that way, so I responded in kind. I'm not trying to be antagonistic. You made inferences to the fact that I am trying to mislead. That's not what I'm doing here at all, because the way—

Mr. John O'Toole: Tell the whole story.

Hon. Charles Sousa: Excuse me—the way net debt has been calculated and the way it has been increased every year has been the same for the last 20. That in-

cludes AFPs. They are also included in net debt; you should know that.

I am being very forthright. What you're questioning isn't just me now. You're questioning the Auditor General on an unqualified report as stipulated in our public accounts. So I take exception to the way you framed your response and the way you framed your question.

I also want to agree with you on something, though: We do have challenges. We do have low growth. We do have economic choices to make, and that's why I'm out there doing consultations. That's why I'm out there dealing with many across the province to say, "What choices should we make?" You've made your choices. You've already stated in your white papers that you want to just cut. You want to go across the board and not invest, and you want to take away from the system.

You made reference to some of the capital engagements that we are doing for the benefit of maintaining our competitiveness long term, and yet you forgot to note that the federal government is doing it in exactly the same way.

When you talk about subways, we need more money. We need more money from the federal partners in order to do a strategic national transit strategy for the southern corridor to increase our competitiveness.

The Chair (Mr. Michael Prue): We'll leave it with that.

The rotation now goes to the NDP. We have about five minutes before the bells ring, and then you would resume this afternoon.

Ms. Catherine Fife: I'm not going to start my five minutes right now.

The Chair (Mr. Michael Prue): Are you ceding it? Then it goes to the Liberals.

Ms. Catherine Fife: No, no. I have to? I have the time that—

The Chair (Mr. Michael Prue): I know, but we are scheduled to go—

Ms. Catherine Fife: Okay, then I will.

The Chair (Mr. Michael Prue): If you take five minutes now, we will definitely finish with the minister this afternoon.

Ms. Catherine Fife: Okay.

The Chair (Mr. Michael Prue): If we don't, then we may have to bring him back another day.

Mr. Rob Leone: A point of order?

The Chair (Mr. Michael Prue): Yes?

Mr. Rob Leone: I would support Ms. Fife's desire to go this afternoon. Just because the minister was late this morning, doesn't—

The Chair (Mr. Michael Prue): If you wish to adjourn, that's a different matter. If you just want to adjourn until this afternoon, make that motion.

Mr. Rob Leone: We'll adjourn until this afternoon.

Mr. Steven Del Duca: Chair, I have more questions, so—

Ms. Catherine Fife: No, no. Listen, I want this to be over just as much as everybody else does.

The Chair (Mr. Michael Prue): If you wish to adjourn to this afternoon, make that motion. If you don't want to ask questions, I have no choice but to send it to the government.

Ms. Catherine Fife: Well, I certainly don't want to talk about this all morning, so I'm going to move to adjourn.

The Chair (Mr. Michael Prue): All right. We have a motion to adjourn until this afternoon.

All those in favour of adjourning until this afternoon?

Mr. Rob Leone: A 10-minute recess.

The Chair (Mr. Michael Prue): We're in the middle of a vote. If the vote doesn't pass.

All those in favour of adjourning until this afternoon? Opposed?

It would be a tie, because I don't believe Mr. Dickson can vote.

All right, so again it's back up to me. Since I anticipate there's going to be a 10-minute recess call anyway, we might as well just do it and come back this afternoon.

We are adjourned until approximately 3:45 this afternoon.

The committee recessed from 1022 to 1550.

The Chair (Mr. Michael Prue): We'll call the meeting to order. I see that we don't have full attendance, but we are going to the NDP next. Ms. Fife is here, so unless there are any objections we'll let her proceed.

The floor is yours.

Ms. Catherine Fife: Thank you very much, Mr. Chair. Perhaps we'll be joined later on by our colleagues. But we can still get stuff done without them, clearly.

Good afternoon, Minister. I think I'd like to start with a question on the energy portfolio but specifically on finance.

As publicly owned companies, OPG and Hydro One pay no federal taxes. Instead, they make payments to the provincial government that are equivalent to what they would have paid to Ottawa. As you know, privately owned companies pay corporate taxes to the federal government. Further, if they have their headquarters in another jurisdiction, that is where they pay provincial taxes. For example, Bruce Power does not pay Ontario taxes. It ships its profits to its owners, TransCanada in Calgary, Cameco in Saskatoon and OMERS in Toronto. TransCanada pays federal and Alberta taxes and Cameco pays federal and Saskatchewan taxes.

Has the government estimated the amount of tax revenue that is lost to Ontario by out-of-province ownership of Bruce Power, various gas plants and industrial wind farms? Most of these are owned out of province. We're trying to get to an energy policy that has a direct impact on our revenue that we take in as a province. We would like to get some kind of a handle on what that number looks like because of foreign and/or out-of-province ownership.

Hon. Charles Sousa: Thanks for the question. I'm going to pass some of this over to the deputy. We also have someone else here from our electricity side that can provide some assistance. Deputy?

Ms. Catherine Fife: That's good.

Mr. Steve Orsini: Thank you. Essentially, we do have a policy that if they're a crown corporation, they are exempt from federal taxation. They do pay payments in lieu, so you're correct that they do pay payments in lieu to the province in lieu of federal taxes. They also pay in lieu of provincial Ontario corporate income tax.

The way the tax structure works in general—I don't want to be too specific on that case. It doesn't necessarily mean where your head office is is where you pay corporate tax. If you have a permanent establishment in a jurisdiction, a presence of some sort, an office, some type of what the Income Tax Act refers to as a permanent establishment in that jurisdiction, you then allocate your profits by sales, salary and wages. That's a general rule of thumb.

On that specific case in hand, we know they do pay payments in lieu of provincial and federal income tax. I don't have specifics. That might be considered taxpayer confidential information, so I have to follow up on whether or not that level of detail is confidential. Having said that, we would endeavour to provide whatever information we can. But it's not based on head office; it's based on where you have a permanent establishment in a jurisdiction.

Ms. Catherine Fife: Really? But you haven't estimated how much tax revenue—we clearly are losing some revenue in this configuration, the way the tax structure is currently set up. For instance, TransCanada pays federal and Alberta taxes. Are you saying that TransCanada pays no taxes here?

Mr. Steve Orsini: We're talking about a specific company. I'm a bit concerned about revealing any confidential information. But I'd say, in general, you're asking a very important question. In general, depending on the sector, there are different rules. If you're a bank, you look at deposits, salaries and wages. If you're a general corporation, you look at sales, so where they generate their revenue from, and salary and wages, where you have your employees. If you have 90% of your sales and employees in Ontario and you have a permanent establishment in some other jurisdiction, the rules have it that you allocate to the 90%.

However, having said that, the government has been focusing on corporate tax planning and loopholes to ensure that—the government is always watching for how income is allocated. That's an ongoing effort, working with the Canada Revenue Agency, so that's an area that we focus on. There's a lot of audit work that's done. We've signed agreements with the CRA to ensure that they monitor that on our behalf. They collect our corporate income tax, so we work with the Canada Revenue Agency to monitor where companies are allocating their income and how much is flowing to the province. Where there are areas of dispute with other provinces, we try to work that out among tax administration officials.

Ms. Catherine Fife: Can you give us an example of some of these loopholes that the government tries to make itself aware of or limit or monitor?

Mr. Steve Orsini: We're constantly monitoring those in terms of where they report their income. We are dealing with issues in the courts now. There are issues that we're constantly monitoring. It's a complex environment. I don't have any specifics I can provide you. We can see what we can provide this committee in terms of the efforts. The agreement with the Canada Revenue Agency: We can talk more about those types of mechanisms that we have in place.

Ms. Catherine Fife: Okay, so you can't give me any specifics—just general examples of loopholes?

Mr. Steve Orsini: I can't do that now, but I think we can talk about procedures and things that have been done in the past to try to address those issues.

Ms. Catherine Fife: Deputy, when you say that you try to monitor where those companies report their income, is that not a confidentiality issue as well?

Mr. Steve Orsini: For individual companies, yes.

Ms. Catherine Fife: It is, yes. But for crown, it should not be.

Mr. Steve Orsini: For crown, we would have access to that information. If they're not a crown corporation—they're a private entity—we would have to do it through regular audits.

Ms. Catherine Fife: Okay. I've heard you say—unless I'm completely wrong—that you haven't been able to gather an accurate estimation of the amount of tax money that is lost to the province through various power corporations or companies who have their ownership outside the province. You haven't been able to estimate that because of confidentiality? Is that right? You also mentioned litigation that's already ongoing.

Mr. Steve Orsini: What we try to do is ensure, working with the CRA, that the rules are clear and, through their efforts, ensure that there is a proper audit. When the Ontario government was delivering corporate income tax, we would do those audits. Now that it's a federal responsibility, we work with them to conduct those audits. It's only when they conduct those audits that they determine whether or not corporations have allocated according to the rules. That's an ongoing effort. The points that you raised are specific taxpayer information. I'd be very concerned about talking about that in a public forum in terms of confidential taxpayer information, but in general, there's a relationship with the CRA to do that type of audit work. Only through that audit work do they identify areas that might be of concern. But then there's an appeal process; there's a notice of objection; there's a chance for the taxpayer to say, "No, these are clearly within the rules." It's that back-and-forth to help sort those things out. For the most part, they resolve. If not, often or occasionally, they may go to court, but that's part of tax administration. It happens all the time.

Ms. Catherine Fife: And are there cases before the courts right now that the government is part of?

Mr. Steve Orsini: There are always cases.

Ms. Catherine Fife: There are always legal cases.

Mr. Steve Orsini: Some of them are small or large, but it's a complex corporate commercial arrangement that

requires some review process, some notice of appeals and objections and some court determinations.

Hon. Charles Sousa: Maybe I could enlighten some of the things.

Ms. Catherine Fife: Sure.

Hon. Charles Sousa: In 2013 in March, I wrote to the federal minister in regard to some of the initiatives that we need to take to close some of the tax loopholes. We have identified a number of arrangements. The agreement builds on existing agreements, in fact, that have already generated an additional \$500 million in revenue for Ontario over the past few years, including more than \$200 million alone in 2012-13. I highlighted some of this in our 2013 budget.

Some of the loopholes that we're at are around international tax planning, the issue you've raised in regard to residency in terms of where the head offices of those corporations are, as well as the underground economy.

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In that we've taken some initiatives to close the loopholes, we're expecting that we'll generate more than \$300 million in incremental tax revenues over the next four years alone.

In regard to the underground economy, some of the initiatives that we're undertaking with the federal government and others are expected to generate an additional \$400 million over the next four years.

It's highlighted in the budget in terms of some of the broader initiatives, some of the tax avoidance initiatives that we're trying to combat, and recognizing that we need to be diligent in finding ways to foster some of that revenue—and also to maintain an equal playing field, because Ontario's tax regime and tax area is actually very competitive. Many companies are already choosing to come to Ontario. We want to ensure, though, that if they do business in Ontario, they pay taxes in Ontario.

Ms. Catherine Fife: Okay. But you understand what I'm trying to get at.

Hon. Charles Sousa: Absolutely.

Ms. Catherine Fife: I'm trying to get at how our energy policy either prevents us from maximizing the tax revenue—and that's because the province has made certain decisions around who operates wind farms or who operates gas plants. The reason that I'm asking for an estimate is because, at some point, that number should influence policy because if we're losing tax revenue which we desperately need and you're doing due diligence around loopholes, as you point out, at the end of the day there must be some policy implications.

I've heard that you don't have an estimate on the amount of tax money that is lost to Ontario by out-of-province ownership, but is it on the radar? Are you trying to—

Hon. Charles Sousa: We have established a working committee to oversee some of the tax avoidance measures that are there. We're looking at input tax credits as well. We're looking at any measures of avoidance that may exist in the system, but as mentioned, we've already done some work to that extent where we've been able to

generate over \$500 million more in revenues to the province of Ontario. But more is there, and so we want to make certain that we remain diligent in doing so.

Ms. Catherine Fife: I'm not accusing these companies of tax avoidance; I'm just saying that because of our policy, they don't have to pay taxes in Ontario. You've said that they do have to pay some but not the full extent if they were Ontario companies; right?

Mr. Steve Orsini: The general rules, without dealing with any specific company—and I think you're absolutely right not to make any accusations about whether they're complying or not—is based on where they have their operations and where their sales, salaries and wages are. If they have 90% of their operations in another part of the country and they paid only 10% of their overall profits in Ontario, some would argue that that's fair, based on the formula that we have in place. If it's reversed and they're not paying that, then that might be out of line, but it could be an interpretation issue. It could be a definition of salaries and wages. It could be complex issues—where did the sales occur? Those are the things that, through an audit process and engaging with a company, the tax officials sort through. It would be very difficult to try to generalize in this forum as to the nature of their compliance.

Ms. Catherine Fife: Okay. This is the last question on this. Am I correct to say, though, that Bruce Power does not pay Ontario taxes? It ships its profits to the owners: TransCanada in Calgary, Cameco in Saskatoon and OMERS in Toronto. Is that an incorrect statement to say, or can you say for sure?

Mr. Steve Orsini: We can't comment on that statement in any way—

Hon. Charles Sousa: No, we can't talk about that.

Ms. Catherine Fife: Okay. I'm not saying that they're not paying taxes; they're just not paying taxes in Ontario.

Let's move on. Let's move on to pensions: another favourite topic here at the estimates committee. We're trying to get an update on the status of the Morneau report and the recommendations that came out of that report. I believe the formal name of the report was Facilitating Pooled Asset Management for Ontario's Public-Sector Institutions. Is there someone from your staff who might want to—can you give us an update, please?

Mr. Steve Orsini: Yes. We'll call up Leah Myers, who's leading this review. We had the Morneau report, and we're in the process of creating a working group to look at those who are actively interested in pooling their assets together to lower costs and improve their rates of return. I'm going to ask Leah just to expand a bit more on that initiative.

The Chair (Mr. Michael Prue): And just for the record, before we proceed, if you could give your name so Hansard gets it right.

Ms. Leah Myers: Leah Myers, and I'm the assistant deputy minister for pensions, income security and research.

The Chair (Mr. Michael Prue): Thank you. Please proceed.

Ms. Leah Myers: The Morneau report, as you'll know, was provided to the province in late 2012. We consulted with a variety of stakeholders who had been engaged with Mr. Morneau on his deliberations to get a sense of what their views were on his recommended approach.

In budget 2013, we committed to moving forward on implementing a pooled asset management framework, with the next step being establishing a technical working group of representatives who have expertise in the investment management side of broader public sector pension plans to help advise on what the design, the governance and transition issues might be in getting from where we are today, with separate investment management functions at individual pension plans, to a pooled arrangement. That working group has been struck. It was struck a couple of months ago. They've had an initial meeting, and we're really looking to their advice to how we can move from where we are now at a practical level with respect to pooling the investment management functions amongst the plans.

Ms. Catherine Fife: Okay. Thank you, Leah. Given that the working group has just had one—did you say one meeting?

Ms. Leah Myers: Yes.

Ms. Catherine Fife: Do you know, though, as of today, what public pension funds are likely to be part of the pooling effort and what public pension funds are definitely ruled out? The committee must have a terms of reference or a framework that they're working with.

Ms. Leah Myers: As I mentioned, the committee—it does have a terms of reference, but it's very much focused not on who should be in. That's a decision, ultimately, that the government needs to take about what model of pooled asset management framework it wants to take: Is this compulsory—you must participate—or is it voluntary? The committee is not dealing with that question of who's in, who's out and under what circumstances. But, as I mentioned, it's strictly on the issues associated with establishing a new investment management entity and, in moving forward, from a design point of view, what that entity ought to look like, how it should be governed, on the basis that it would involve the participation of a multiple number of plans, and then transition: How do you take the investments and the investment strategies that are currently in place in separate plans and pool them together? So that group is not providing advice on who's in and who's out.

We did get feedback from a variety of the plans after the Morneau report was released. Some are very keen; others are less keen. We did announce that the jointly sponsored pension plans would not be. So that's like the teachers' plan or OMERS or the college system pension plan, the hospital plan, that they wouldn't be required to participate. But that's as far as we've gone thus far.

Ms. Catherine Fife: Okay. Has WSIB expressed any interest in whether they're keen or not keen?

Ms. Leah Myers: They have said that they're supportive of a pooling approach.

Interjections.

Ms. Catherine Fife: I'm sorry. I couldn't hear you because there's a banter going back and forth here.

The Chair (Mr. Michael Prue): It was very brief. Before I had a chance to stop them, they stopped themselves.

Mr. Michael Harris: We're not bantering; we're just helping one another.

Ms. Catherine Fife: Well, stop.

So, I'm sorry, was WSIB—are they keen or not keen? Have they been part of the conversation at all?

Ms. Leah Myers: The WSIB was generally positive. I'm not recalling the detail on sort of every specific aspect of the Morneau recommendations. There were a number of stakeholders who were supportive of the direction of moving into a pooled framework, but may have been taking exception to one or another specific recommendation.

Mr. Steve Orsini: I don't think any group has made a decision whether they're in or out. I think a number of them are expressing interest to review the work of the technical working group. Some are taking a wait and see. But my understanding is, no one's actually decided to participate yet, although we're hoping people would be prepared to at least hear out the technical working group and have a conversation. But my understanding is, no decisions have been made.

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Ms. Catherine Fife: Okay. Do you have a rough timeline? You must have some idea.

Hon. Charles Sousa: As you know, Bill Morneau made us recommendations estimating that a savings, when fully implemented, of between \$75 million to \$100 million annually could be realized. As a result, as just mentioned, a technical working group has been established. I expect a report back later this year with the detailed implementation plan.

Ms. Catherine Fife: So the mandate for the working group on the Morneau recommendations: a governing structure, the broad strokes. Is that correct?

Hon. Charles Sousa: Yes.

Ms. Catherine Fife: Has that been worked out yet? They're going to be proposing a governance structure?

Ms. Leah Myers: Yes.

The Chair (Mr. Michael Prue): I'm going to have to stop you there. Your 20 minutes is up. We'll go to the government side. Mr. Del Duca.

Mr. Steven Del Duca: Minister, good to see you again this afternoon. I want to apologize to the member from Kitchener for the banter that was going back and forth. It was my fault, not the other member from Kitchener's fault.

Minister, perhaps you can talk to us a little bit this afternoon about how our government is acting on the recommendations of the very important Jobs and Prosperity Council.

Hon. Charles Sousa: Great question. We have established in our budget recommendations from that report. In fact, we have a consultation booklet that I've been using throughout my travels in the province to not only stimulate the conversations as to what choices we now need to make in the upcoming budget, but also recognizing the economic environment which we face.

As a result of some of those initiatives, we have incorporated a number of their recommendations, one of them being to continue being a competitive jurisdiction, to maintain that business climate where we're supporting a competitive tax system, and through more effective regulatory systems which promote newer business investments for job creation and economic growth. Some of those tax initiatives have included the accelerated capital cost allowance, something that the Jobs and Prosperity report recommended. We actually, just today, introduced in the House the employer health tax exemption for smaller businesses—all with the intent of trying to stimulate greater engagement by companies to invest in Ontario because of the competitive nature of our province relative to other jurisdictions in North America and around the world.

Another item of recommendation by the Jobs and Prosperity Council was around the continuing strategic stimulus investments to be made in modern infrastructure, to invest in transit, in roads, in schools and hospitals as a key foundation to maintaining a productive economy.

They also spoke at some length in regard to global markets, recognizing that Ontario on its own and within Canada isn't enough to promote economic growth. And while our reliance—while still heavily dependent on the United States—has worked, more can be done by accessing markets in emerging locations like South America, Asia and other parts of the world. So going global while working with business to expand those market accesses for goods and services beyond our borders and other provinces is part of the strategy they recommended, and it's something that we've incorporated in our deliverables and in the things that we're doing right now with trade missions around the globe and initiations of agreements with those companies.

They talked about being investment ready, finding sites, getting clusters, doing things to attract those businesses to come to Ontario. Part of that is maintaining vibrant and strong communities. That too is something that we incorporated in our plan, by helping those communities and regional economies benefit from job creations and economic growth through some of our targeted regional systems, like the development funds that we've established in the east, in the west and in the north.

We also added here issues around skilled labour. Everywhere I've been, there is a growing need for more skills in certain sectors of the economy, so we've initiated investing more in a highly skilled workforce. The recommendations in the report talked a lot about ensuring that we continue to address matters of education and

apprenticeship programs, experiential learning initiatives, to facilitate those companies that are doing the training, so that more of our individuals can be better prepared for the future. Investing in skills and education, as well as youth employment, all ensure that the people of our province can work and be more prosperous in the long term. So those are some of the things that are incorporated in our six-point plan as taken by the Jobs and Prosperity recommendations.

But there are two other issues that are necessary for us—and we've incorporated in our plan, and the report also mentioned this—around innovation. We've put in place this opportunity to help a lot of young people, but a lot of entrepreneurs, access capital to initiate and strengthen Ontario's ability to transform those ideas into innovative goods and services for the global economy. We need to find ways to encourage those companies to invest in R&D and innovation, because we know that in the long term, that will make us competitive.

Part of their report touched upon this growing productivity gap that exists. They touched upon it in their report, and we dedicated a whole section in the budget around that initiative, finding ways to call to arms the private sector, because, as I've said before, government has an impact in terms of stimulating jobs and conditions for growth, but it is businesses and the private sector that really have the lion's share of making this happen. So what we need to do is find ways to improve their productivity by giving them conditions and stimulus and initiatives to encourage them to do so. One of them is an accelerated capital cost allowance. The other is just a recognition that while we're investing in institutions like the Perimeter Institute or organizations like CommuNitech in Waterloo or fostering the attention brought in by MaRS—all of these innovative ideas are fantastic—it's bringing them to market that really gets us to the results.

More importantly, though, private companies that are investing in those initiatives and bringing them to market are even more successful, and that is what sets us apart from other parts of the world. We see that in our competitive nature in our manufacturing sector now. There's a new world of manufacturing that exists out there, and for us to compete in Ontario with the rest of the world, we've got to find more productive ways of delivering those services. That's a major recommendation by the report, and it's something that we have also included in our six-point plan going forward.

Mr. Steven Del Duca: Terrific. Thanks very much for that answer.

Changing gears for a quick second, I'm wondering if you can talk to us a little bit sort of along the lines of federal-provincial relations, if you can explain a little bit of the government's position with respect to the equalization program.

Hon. Charles Sousa: We are the largest contributor to the federation by far. Ontario has long had a history of contributing more to the federation than all of the other provinces combined, and even to this day, we are contributing over \$11 billion, I believe, in net benefit to the

federation, above and beyond that which we receive. We will continue to do our part, but we're also asking for fairness for Ontario, knowing that some of the other provinces have not been as affected or hit as hard by the global recession as what has occurred in Ontario. And notwithstanding that we are continuing to put practices and initiatives in place to bolster our economic recovery and increase our economy, we also are seeking understanding and appreciation from the federal government and the others that Ontario's support for investments like a national transit strategy, like investing in the north to take advantage of some of our chromite deposits so that we can bolster our economy—these are initiatives that require participation with the federal government and an understanding and appreciation of the importance this has, not just for Ontario but certainly for the federation and for Canada as a whole.

These are some of the initiatives that we believe are important. Ontario believes in a modern system of fiscal arrangements to promote economic growth, job creation and prosperity, to support sustainable and comparative public services, to restore the fiscal balance in the federation and establish a genuine partnership between both orders of government. The net contributions to equalization by the provinces are highlighted on page 250 of our budget, recognizing that Ontario, by far, is the largest contributor, well above the rest.

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Mr. Steven Del Duca: Great. Thank you.

Mrs. Amrit Mangat: Minister, what are you doing so that corporations don't avoid taxes? How do you address that issue?

Hon. Charles Sousa: There are a number of corporations and businesses that are, at this point, being sought after for back taxes and tax avoidance measures. We have taken a number of steps already, in the past, to recover some of those back taxes and losses. We have maintained greater integrity to our revenue and the underground economy by closing some of those loopholes, but, more importantly, by going after those very companies that haven't paid in the past. These initiatives just alone have raised over \$300 million in incremental tax revenues expected over the next four years.

Mrs. Amrit Mangat: And what are you doing to transform the delivery of public services in Ontario?

Hon. Charles Sousa: A number of recommendations were provided to us by Don Drummond in terms of transformational changes to our public sector, to our public service, with the intent of maintaining the quality of those services while reducing the overall costs in that delivery.

As a result of some of those recommendations and transformational changes, we are delivering health care in a more effective and productive manner; for example, home care services—much less expensive than hospital care and alternative beds that are often occupied as a result of long-term-care initiatives; more public support workers in the system; more nurse practitioners in the system; more delivery by pharmacists; more community

health hubs. All of this has enabled us to provide greater delivery of services when care is needed close to home, or even at home, in this case. We know that the benefits are tremendous, in terms of overall costs. That is just one example of some of the transformational changes that we are doing and that have been applied.

Mrs. Amrit Mangat: So are you adopting all of the recommendations by Don Drummond?

Hon. Charles Sousa: We have now incorporated over 60% of Don Drummond's recommendations, and the task force. There are quite a few more that we're addressing still, all of which have enabled us to cut costs, while at the same time bolstering services to some extent. So we will continue to be vigilant in those initiatives.

There's a section here that talks about the specifics of those recommendations and some of the areas in which we are going to proceed. But all of this is about providing great value for money in the services that we provide.

Strengthening the coordination, for example, as mentioned with health care, for high-needs patients—5% of our population, you should know, account for two thirds of health care costs, and through the creation of 23 Health Links alone, to date we've been able to reduce that. By encouraging greater collaboration among health care providers, Health Links will also help reduce unnecessary hospital visits and readmission rates. So the goal over time is to expand those Health Links across the province. And that's just an example.

Drummond's recommendation—and our budget talks about a number of sectors that are impacted by the work that he's done and that we've applied. I'll try to locate it in a moment, but it talks about changes to our judicial system, changes to our health care system, to our education system, changes to social services—there's quite a number of employment and training services—even changes to the operating of our back office expenditures, changes in regard to our government business enterprises. And there are specifics as to what changes are necessary and what are the things that we are agreeing should be applied. So these frameworks are consistent with his recommendations, and they're being applied as we speak.

Even the revenue integrity—we spoke previously about some of the loopholes. Recommended by the report is a centralization of the collection of outstanding tax and non-tax accounts within the Ministry of Finance; working with the federal government to enhance compliance activities to address both the underground economy and corporate tax avoidance; and improving oversight and ensuring better enforcement of Ontario's tobacco-related laws, for example. Those are stipulated in the budget, and these are the things that are being applied right now.

Mrs. Amrit Mangat: Thank you.

Mr. Steven Del Duca: How much time, Mr. Chair?

The Chair (Mr. Michael Prue): Around five minutes, maybe not quite.

Mr. Steven Del Duca: Great. Thanks very much. Minister, could you talk to the committee a little bit about the government's plans for reducing poverty in Ontario?

Hon. Charles Sousa: It has been a priority for our government to address poverty and break the cycle of poverty. Part of the budget actually talks about fairness.

We know that having a job is the best way to reduce poverty. We know that education is a great way to reduce the reliance on—and the predatory practices that exist. I'm thinking about the payday loans legislation, for example, that was introduced by our government a few years ago: recognizing the cycle and the consequences of not understanding the compound interest that is taken when using those services. We had to find ways to control and regulate rates of interest but at the same time educate consumers to the consequences of some of those decisions. But breaking that cycle of poverty is critical for our ongoing success.

We used another report in facilitating our budget, and that was the Munir Sheikh and Frances Lankin social reforms. We introduced the earnings exemption, so Ontario Works and ODSP recipients will now be able to keep the first \$200 of their employment earnings each month before their social assistance benefits are reduced. This change reduces barriers to employment and gives social assistance recipients better support for gaining access to employment. This is stipulated right in our budget 2013, which we took from that report. It introduced a \$200 monthly earnings exemption to make it easier for those recipients who face multiple barriers to employment to gain an initial foothold in the labour force. Earnings exemptions currently for social assistance benefits are reduced by 50 cents for every dollar of employment earnings. Effective September—now—the earnings exemption will allow for up to \$200 for employment earnings before social assistance benefits are reduced. This is huge in avoiding the clawback to those individuals who are trying to get back into the workforce. This enables them to be more productive and to gain better access to work. That tipping point is removed.

Now, there are a number of other things that we're doing to try to facilitate and break the cycle of poverty, including helping those with self-employment, providing greater support to those who want to get back into the workforce by supporting next career strategies, as well as facilitating those who are trying to get a job.

I'm even talking about chronic unemployment that exists with young adults. The initiative that we brought to this budget was \$295 million to try to get 30,000 more young adults to work so that they, too, avoid the consequences of getting into a situation where they can't get jobs. In other parts of the world, they have a huge chronic issue of over 30% of unemployment by young adults. That has negative consequences, because then it's even more difficult for them to find jobs in future years.

By putting everyone at their best, by enabling better preparation, we're able to break that cycle.

Mr. Steven Del Duca: Thank you.

The Chair (Mr. Michael Prue): You have less than a minute left.

Mr. Joe Dickson: Less than a minute? I'll make it quick. Good afternoon, Minister. I don't think the gov-

ernment can ever win this battle, but what is on your agenda for the government to fight the underground economy?

Hon. Charles Sousa: We're working with the federal government. We're trying to take some best practices, actually, from other jurisdictions that are fighting the underground economy by putting, for example, technology in the retail outlets so that we're able to capture transactions more effectively, and cash transactions.

Also, one of the big ways to combat this has been the introduction of a value-added tax system. All of a sudden now, the exemptions that are given to certain businesses that comply with their submissions to payment of taxes—they get rebates on those flow-throughs. That won't occur if you're dealing in cash. More importantly, it makes those who are operating in the underground economy even more vulnerable because they don't have the benefit of pensions, workplace security or WSIB coverage. So all of this is stuff that we have to take care of.

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The Chair (Mr. Michael Prue): I'm going to have to stop you there. Hold on to the thought. You'll have one more opportunity. This is the last 20-minute round for each party, beginning with the Conservatives.

Mr. Michael Harris: Good afternoon, Minister. I'll jump right into it, as I know my colleagues will have a few other things on different issues. I was wondering if you could tell us if there's been any financial analysis done on the government's cap-and-trade scheme that we've been told the government will be introducing next year.

Hon. Charles Sousa: No.

Mr. Michael Harris: Okay. I guess I'll reference a discussion paper that was out three, Greenhouse Gas Emissions Reductions in Ontario. In fact, it said in here that the Ministry of Finance is providing input on the development of a cap-and-trade program for Ontario. So I'm not sure if any of the staff members want to comment on the input that the ministry is providing on that.

Hon. Charles Sousa: Our recommendations going forward are listed in this budget. It doesn't include that report.

Mr. Michael Harris: So to your knowledge, there's not been a cost-benefit assessment done pertaining to cap-and-trade potential here in Ontario and the commitments that this government has made previously to the Western Climate Initiative?

Hon. Charles Sousa: The commitments that we're making are highlighted in this report. Lots of analyses are made, and decisions are ultimately made by the minister and cabinet. What we've agreed to do is listed in this budget in 2013.

Mr. Michael Harris: I guess that would be a no, then, perhaps. If your staff can comment or if you can comment on what you've actually factored on what the cost of cap-and-trade would be to Ontario's manufacturing sector.

Hon. Charles Sousa: Yes, we're not implementing that.

Mr. Michael Harris: Okay. Obviously, we've lost, what, 300,000 good jobs in the manufacturing sector since your government has come to office. It's important to know the financial impact of some of these major decisions that the government will have. This discussion paper references that the Ministry of Finance is actually providing input into the process. So, if I could get your opinion, wouldn't you believe it's in the best interests of Ontarians to have a cost-benefit analysis or assessment done in terms of the impacts to our manufacturing sector?

Hon. Charles Sousa: Mr. Harris, you just said that we made a decision to do so, and that hasn't been the case. We have not decided to implement this.

Mr. Michael Harris: Will you be performing a cost-benefit assessment, then—again, in your own discussion paper, the government's own discussion paper, they said that the Ministry of Finance would be providing input into this. Clearly, it's not been done yet.

Hon. Charles Sousa: Right. It has not been done, and decisions that we've acted upon are outlined in our budget of 2013. That's not one of them.

Mr. Michael Harris: All right. I will turn it over to my colleagues. I know they've got some comments and questions.

Mr. Rick Nicholls: Good afternoon, Minister. A couple of things: First of all, just in reviewing in general your revenue and expenses and the deficit just simply projected for this year and of course looking ahead at next year, I notice that you project revenues to go up by approximately \$3.7 billion while expenses will only go up about \$1.9 billion. My question to you is a very simple one: What are your intentions to increase—you're showing an increase of about \$3.7 billion in revenue. What are you going to be doing to increase those numbers?

Hon. Charles Sousa: We'll be coming out with an economic update in short order, but you should know that the revenue outlook is actually being lowered now because of the economic consequences around the world.

Mr. Rick Nicholls: That was on page 109 that I was referencing.

Hon. Charles Sousa: Yes.

Mr. Rick Nicholls: Okay. So it's coming down—I'm sorry. Do you have a—

Hon. Charles Sousa: No, no. They're—

Mr. Rick Nicholls: No numbers yet?

Hon. Charles Sousa: Yes, go ahead.

Mr. Steve Orsini: Our revenue forecast is really based on the growth in the economy, and our revenues track nominal GDP growth in general. Part of that also, as part of our revenue, are government business enterprises, which also has its own forecast, and federal transfers, which again—funding for health care, social assistance—have their own growth path. As you know, the federal government has made recent changes in the out-years. All of those track based on our current assessment of economic growth based on private sector forecasts. We take the average, and that is sort of what guides the ministry

in forecasting GDP growth, which then translates into revenue.

So that number that you reference is a complicated number of inputs, but it generally tracks overall to nominal GDP growth.

Mr. Rick Nicholls: I see. All right. So you're suggesting that your revenues will be adjusted perhaps downward. What about your expenses, then, because you forecasted the expenses next year increasing by \$1.9 billion? Would it be an assumption, then, that perhaps those expenses might be even higher?

Hon. Charles Sousa: We have had great success in curbing our spending growth. In fact, last year we had a spending cut, and so we have been able to exceed our targets and make the transformational changes in the way we do and deliver services. We're actually reducing our spending.

Mr. Rick Nicholls: Well, we know that interest on the debt continues to grow. We know that. I'm looking again this year and next year, and of course the debt itself is approximately \$275 billion, give or take, roughly? You'd agree with that number?

Hon. Charles Sousa: It's in our public accounts. What is the number now?

Interjection.

Hon. Charles Sousa: We'll get it to you.

Mr. Rick Nicholls: Okay. Well, let's assume it's in that vicinity. My point, though, is that the interest rates themselves are actually—the interest being paid on the debt this year is growing by 5%, but next year it's actually forecasted to grow by another 10%. We all know that interest rates right now are at an all-time low and that a 1% increase in that interest rate may result in, what, maybe a \$500-million cost in interest rates?

Hon. Charles Sousa: We have been monitoring our debt. We have recognized that interest on debt is actually—it went down last year. Our program spending went down by 0.4%. Total spending went down by 0.1%, including interest rates—including interest costs on our debt. So, yes, we're monitoring and we recognize that we need to control overall spending, and that's exactly what we're doing.

Mr. Rick Nicholls: Well, I know that one of our members several months ago put forth a bill regarding the actual paying down of the debt, and I believe that was somewhere in the neighbourhood of around 2% per year. There were some other conditions tapped into that as well, which I'm not at liberty—I don't really recall exactly all the details of that. But I guess my concern is, if the interest payments are continuing to grow—

Hon. Charles Sousa: They're not growing. That's the point.

Mr. Rick Nicholls: Well, looking at your numbers here—

Hon. Charles Sousa: They went down last year.

Mr. Rick Nicholls: Interest on the debt.

Hon. Charles Sousa: Oh, interest—

Mr. Rick Nicholls: That's what I'm referencing. You see it there on 109. Okay? That's telling me that it's continuing to grow.

I guess my concern is that we project revenues, we project expenses, but I don't see anything in terms of any monies being put towards actually paying down the debt. We're just paying the interest on it. If I had a credit card and all I did was just pay the interest on my credit card and didn't pay down any of the principal, I'd be in big trouble real quick. My concern is that this government has got us in big trouble—not real quick. It's taken nine years to get here, but the debt itself has increased from \$125 billion to roughly \$275 billion in just nine long years.

Hon. Charles Sousa: So let's be clear: The degree of debt is a function of the accumulation of deficits we've experienced as a result of the economic downturn around the world. It's the matter of controlling that deficit by tackling and eliminating it in a balanced manner, which we're doing. It's also as a result of capital expenditures that we're making to stimulate the economy and to grow it, and that's being done right around the world as well, including the federal government.

Year over year, over all consecutive and past governments, the accumulation of debt has occurred regardless of surpluses in the budget because of matters that have been taken to stimulate or invest in our economy.

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So we have been measuring our net debt-to-GDP ratio to ensure that we're able to afford what it is that we're accumulating with the intent of ensuring that we don't pass on that burden of debt to future generations, because it's also a function of economic growth and economic prosperity. As a result of that, we've made some very determined and strategic initiatives to invest. As a result of those investments within the environment that we have, the fundamentals of Ontario remain very strong, and we're poised to be even more competitive in future than we've ever been because we've made investments that are going to net great dividends in the future. Those things, I think, are important for us.

Mr. Rick Nicholls: I just have one last question, Minister, and that is simply this. My concern is—and for all Ontarians as well—that it would appear as though the government really isn't making an immediate priority to start to pay down that debt. Cuts need to occur. I look at it this way: I say spend and then tax. So that's expenses and then revenues to try and make it up. I'm looking at it and I'm saying, what cuts can the government be making, the nice-to-haves versus the need-to-haves?

Hon. Charles Sousa: That's very nice to say, but you've just said something that's not true. You've just said that we haven't been addressing the deficit by reducing it, which we have. Between what we anticipated, it's now down to \$9.2 billion. You say we haven't cut spending, but we have, and it's been audited by the auditor and it's been unqualified that we actually had negative spending last year. We are continuing to take the steps necessary to control our spending, and we've also

taken the additional step of putting a target of net debt-to-GDP ratio of 27%, recognizing that that is the way we're going to enable future generations to benefit from the investments that we're making.

We're committed to taking these initiatives; we're committed to making some of the tough choices that are necessary, but we feel that across-the-board cuts, as are being suggested, would be devastating to the recovery of this province. Imagine putting something in place where you're asking for, in these times, a reduction in our debt, which would require massive increases in revenue, which then means increased taxes, or, basically, removing services from government to the very needs of the public, and that would have negative consequences as well. So what we want to make certain is that we take that balanced approach and ensure stimulus in the economy, ensure that we are competitive and that we attract and create more jobs. Creating jobs is a priority for us to improve our recovery and strengthen our competitiveness long term. That's what's going to enable us to succeed.

Mr. Rick Nicholls: I'll turn it over to my colleague, Mr. Leone—

Interjection.

Mr. Rick Nicholls: Or Mr. Harris—sorry.

Mr. Michael Harris: Yes, thanks. I want to just come back to something, as I got reading my notes a bit further. The Ministry of the Environment issued a discussion paper on greenhouse gas emission reductions in Ontario earlier this year. I'm going to reference page 7, and I'll read it directly to you.

"To make progress on our targets and achieve absolute emissions reductions, it is proposed the emissions limit for industrial sectors be set at the forecast of total emissions expected at the start of the program." It goes on to say a few things, but specifically it says here "... emissions forecasting being carried out by the Ministry of the Environment with input from the Ministry of Finance and the Ministry of Economic Development and Innovation."

I would like you or a staff member to explain the type of input you're providing on this.

Hon. Charles Sousa: You've read it to us, and I think you've answered your own questions. You just said these are just proposals, and decisions by the government have not occurred. We make decisions based on a lot of proposals and a lot of analysis—

Mr. Michael Harris: But, Minister—

Hon. Charles Sousa: —and these are just things that are being proposed, I suspect, from that report.

Mr. Michael Harris: No, no. I need to know the input from your ministry on this proposal by the Ministry of the Environment. This is a serious program that could impact industry in Ontario, and I would think that if the Minister of the Environment is going to move forward with a decision that could impact industry in Ontario, the input from the Ministry of Finance is critical to evaluate what a cost-benefit assessment for this industry would have. So I think there's an onus on you or your staff to provide the answer to me as to what input they're

providing to the Ministry of the Environment on such an important issue in Ontario.

Hon. Charles Sousa: The recommendations—I don't even know they are recommendations; these are proposals that are being assessed and analyses that are being provided, probably some initiative—

Mr. Michael Harris: What input has your ministry provided?

Hon. Charles Sousa: I'm telling you: You may want to refer to the Ministry of the Environment about those proposals, but as far as the ministry here, no decisions by government or this ministry have occurred in that regard.

Mr. Michael Harris: Then what I'm hearing is that there's clearly no input from the Ministry of Finance. I think it's reckless, on behalf of the government, to provide no input for the Ministry of the Environment to proceed on something that will impact industry and manufacturing jobs in Ontario. I'll leave it at that, then, if you're refusing to answer any more.

Hon. Charles Sousa: Well, no one's proceeding on this. The Ministry of the Environment is not proceeding on it as well. So really, whatever you're making reference to is—

Mr. Michael Harris: It's right here.

Hon. Charles Sousa: —not something we've decided to do, and I don't have that, so I'm not sure. But it's not something that we're acting on.

The Chair (Mr. Michael Prue): I would ask that you stay within the confines of the estimates of this ministry. I think you're straying out too far.

Mr. Michael Harris: Well, I'm talking about a proposal that the government has in place with proceeding with the cap-and-trade program. It would obviously affect the finances of Ontario.

The Chair (Mr. Michael Prue): But this minister and this ministry is responsible for its own estimates, not the estimates of another ministry.

Mr. Michael Harris: But a cap-and-trade program would inject monies to the Ministry of Finance, so—

Mr. Mike Colle: He's challenging the Chair.

The Chair (Mr. Michael Prue): No, he's not challenging. I'd just ask that you keep within the confines.

Mr. Michael Harris: I think I've got my answer to the fact that the Minister of Finance is not providing any input and no cost-benefit assessment is being done on, you know, potentially a major job killer in Ontario.

Mr. Leone: I think you have a few things.

Mr. Rob Leone: How much time, Chair?

The Chair (Mr. Michael Prue): About three minutes.

Mr. Rob Leone: Eighty-nine minutes. Okay.

The Chair (Mr. Michael Prue): Three minutes—

Mr. Rob Leone: I tried.

The Chair (Mr. Michael Prue): —and you will have an additional, probably, about two on the last round.

Mr. Rob Leone: Minister, I'm going to hit back on this: You mentioned in your answer to Mr. Nicholls that the net debt is a calculation of the accumulated deficit and capital expenses. Now, as I note going back to the fiscal year 1981-82, the difference between the net debt

from year to year was the stated deficit each year. If we look, for example, in 1982-83, the debt was \$16.942 billion and change. That is \$3.189 billion more than it was the year before that. So, in essence, the difference between that would be the equivalent of what the government posted as their deficit for that year.

It goes on, but the point I'm trying to make is that in almost every year before your government took power—almost every year—the net debt went up by the equivalent of what the recorded deficit of that year was. Now, every year since your government came to power, the net debt has actually been far more in excess of your stated deficits each year.

Does that mean that before 2003-04, no capital expenses were ever incurred by this government? They didn't build things? They didn't build roads, bridges, hospitals, subways and things? Is that what you're trying to tell us today, or did they build those costs into the budget at the time?

Hon. Charles Sousa: Let me be clear, and I'll let the deputy interject in a moment. All three parties in power have increased net debt year over year.

Mr. Rob Leone: That's not true.

Hon. Charles Sousa: Net debt includes debt related to capital investments—

Mr. Rob Leone: That's not true, though.

Hon. Charles Sousa: They have. Net debt includes debt related to capital investments, including AFPs, counter to the assertion made by this committee earlier. This government has made significant investments in infrastructure, which will benefit future generations, as I've stated repeatedly. Previous administrations have allowed infrastructure deficits to develop, and that's what we're not going to allow. As a result of those initiatives, net debt has increased above our accumulated deficits because we have made the strategic decision to invest in long-term initiatives to improve our competitiveness. You chose not to; we did. But, notwithstanding that, net debt has accumulated even during the time of all parties being in power.

Mr. Rob Leone: That's not true.

Hon. Charles Sousa: If you want to interject—

Mr. Rob Leone: Well, actually I will suggest that in 1999-2000 the net debt was \$134 billion; in 2000-01, it declined to \$132 billion. What you have just stated is actually not true. That's in the numbers right here. It goes down even further in 2001-02 to the equivalent of what the stated surplus was. So what I'm suggesting—

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Hon. Charles Sousa: But, Mr. Leone, if you add up—

Mr. Rob Leone: I know that I might not have been in government at the time during those years, but I do believe we invested in capital expenses and built roads and bridges and schools and so on and so forth.

Hon. Charles Sousa: Yes. I recall you also—we had holes dug for subways that you filled in. I know there were a number of initiatives that we were trying to do with transit that were stopped by your government. I know that hospitals and schools and other things—

Mr. Rob Leone: So they were built.

Hon. Charles Sousa: —were cut as well. But if you take the accumulation—

Mr. Rob Leone: You can say what you want, but they were built.

Hon. Charles Sousa: —of all of those years, your net debt increased while you guys were in power, dramatically, as well.

The Chair (Mr. Michael Prue): Okay. I'm going to stop you there. You will have a final round of approximately a minute and a half to two minutes.

Mr. Rob Leone: Oh, that's great.

The Chair (Mr. Michael Prue): So think of your last good question.

Okay. Ms. Fife.

Ms. Catherine Fife: Thank you, Mr. Chair.

I'm going to move on—I'm still on pensions, so I don't know if Leah might want to come up.

On page 278 in your 2013 budget, you also announced a new kind of pension fund, the target benefit funds. Can you give me an update on the status of this new form of pension fund?

Hon. Charles Sousa: Let me just get Leah to come up as well.

Ms. Leah Myers: Leah Myers, assistant deputy minister, pension, income security and research.

The target benefit plans are a kind of innovative pension arrangement that some other jurisdictions have looked at and, most notably, New Brunswick has moved forward on. It's a model where the risks associated with the pension funding are shared by both the employer and the members.

What the budget announced in 2013 was that we were moving forward in Ontario to look at a framework for introducing target benefit types of plans in Ontario. They aren't currently permitted under the Pension Benefits Act.

Introducing target benefit plans for multi-employer pension plans is something that has been looked at for some time, but not for single employer pension plans. That's what's referenced here in the budget, that we're beginning to do the policy work looking at that form of pension arrangement.

Ms. Catherine Fife: And will legislation be required to introduce this new form of pension?

Ms. Leah Myers: We're at early days of looking at all the implications of moving to target benefit, but given the fact that it's not expressly permitted in the current Pension Benefits Act, I would expect that we would be looking at legislative change.

Ms. Catherine Fife: I assume that you've done a comparative analysis with the New Brunswick model. Has that been deemed to be successful, and how do you measure success when you're looking at another jurisdiction around this kind of a pension fund?

Ms. Leah Myers: I would answer that by saying that we're following closely what's being done in New Brunswick. They're still working on implementing it. They had a task force report that proposed going in this

direction and is now in the process of implementing that. They were—

Ms. Catherine Fife: Do any other jurisdictions have it, Leah, other than New Brunswick, if they're still in the early days?

Ms. Leah Myers: This is also a model that's used in the States, as well as European jurisdictions—in some of the states.

Hon. Charles Sousa: And you make reference in the budget—that very clearly outlines that the government won't introduce legislation without consultations and won't introduce any of these initiatives without adequately protecting the pensioners, and we make that very clear here as well. We know that we are in need of consulting. We need to address, we need to assess, and then, based upon that, we'll make decisions before we legislate.

Ms. Catherine Fife: I think also this might be a perfect example of something that the Financial Accountability Office might look at, because it sounds good on paper, but we have to make sure that it's still in the continued best interests of the people of this province.

Moving on to another issue—and perhaps you're still on this, Leah; I'm not sure—the proposed amendments to the personal property security law: Are you the right person—

Hon. Charles Sousa: PPSA?

Interjection.

Ms. Catherine Fife: No? You're pension?

There are proposed amendments to the personal property security law that were mentioned in the budget. Sorry. Do you want to call somebody up?

Hon. Charles Sousa: No, no. Go ahead.

Ms. Catherine Fife: There is a change that is of interest to us, especially around the possible removal of the deemed trust priority in the Personal Property Security Act.

Deemed trusts, in our opinion, are contained in pension legislation and serve to provide some limited protection to employees, to employee monies, and we understand that the lender lobby—those institutions that lend money—are looking to have this priority removed. So there are two issues here: (1) we are concerned that you are talking about removing the deemed trust priority and, (2) we know that the lender lobby—those institutions, banks—is definitely lobbying to have this priority removed, and we believe this is not in the best interests of the people of this province.

What are the government's intentions on this issue?

Hon. Charles Sousa: This one is about priorities, and we recognize the priorities in terms of the PPSA and the protection of pensioners and employees, primarily in a bankruptcy situation. This is something of a federal matter; it's gone to the federal government. I know that various private members' bills, Senate bills, even opposition bills have been introduced. Those are the sorts of initiatives that took place, I believe, even with Nortel pensioners and others when they were affected with the

wind-down. So it has consequences, and it's something that is being addressed.

We've highlighted some of that in our budget as a line item, but it's through consumer services and others that are addressing the protection of our pensions.

Ms. Catherine Fife: But it is specifically mentioned in the budget. That's why—I just want to be clear.

Hon. Charles Sousa: That's right. That's fine.

Ms. Catherine Fife: So it's still under consideration that you may remove the deemed trust priority. It's still under consideration?

Hon. Charles Sousa: I'm not sure we can do that.

Mr. Steve Orsini: I don't know.

Ms. Catherine Fife: I think you do mention it, so you must be. I'm not saying you're going to do it, but it is mentioned.

Mr. Steve Orsini: Often, we will include provisions in the budget that are sponsored by another ministry. I think we'd have to get back to you on this one. We really need to check in with consumer services, I think, on where they are with their review. I don't think we have someone here who can even speak to the question.

Ms. Catherine Fife: Can you confirm, though, that the lender lobby or those banking institutions are lobbying you to have that component removed?

Mr. Steve Orsini: I can't.

Ms. Catherine Fife: You can't, because you're the deputy, but the minister—you're lucky you're not the politician.

You must experience some pressure from those lending institutions.

Interjection.

Ms. Catherine Fife: No, eh?

Hon. Charles Sousa: Right now, the initiatives I am acting on for the benefit of the financial services sector, for the business sector and for access to capital are to try to find a co-operative securities regulator. In regard to PPSA and those initiatives, that's something the federal government has been working upon, and it's not something I'm feeling any reaction or request from any lobby group on.

Ms. Catherine Fife: You can understand, though, because it was mentioned in the budget, why I want to be clear on this.

Hon. Charles Sousa: What page in the budget?

Ms. Catherine Fife: I don't have the page reference in these notes, but I'll get that. I'll get back to you on that.

Obviously, the people in this province are losing their ability to access pensions, because we've lost the ability to actually secure those kinds of good jobs. If you're proposing some of these other options, we want to make sure that people have some security when they do invest.

Hon. Charles Sousa: I'm hesitant to comment on this, but I don't believe that's the issue. If I understand the question, it's the right, primarily during a bankruptcy proceeding, as to who has priorities over the assets of the company in a wind-down situation. I believe that's what

this is about, but I will endeavour to respond to you more effectively.

Ms. Catherine Fife: Okay. Moving on to the Pension Benefits Guarantee Fund: Any intention of increasing the monthly benefit protected by the Pension Benefits Guarantee Fund? It's currently only at \$1,000 a month, and Harry Arthurs, in his landmark pension study, recommended an increase to \$2,500 a month, if you remember. Any chance you'll increase it at all, even by \$100 a month? Is that on your radar; is it on your agenda?

1700

Hon. Charles Sousa: Do you want to answer that, because some of the recommendations and proposals have been out there.

Mr. Steve Orsini: Someone will find the reference, but I think, in responding to Harry Arthurs, the government indicated they weren't prepared to move on that recommendation at this time. I don't think we could speculate what the government may or may not do in the future with respect to that amount.

Ms. Catherine Fife: There's quite a discrepancy. I mean, Mr. Arthurs recommends an increase to \$2,500 a month; it's currently at \$1,000 a month. Having the ability to increase the monthly benefit protected by the pension benefit guarantee clearly is something that would be a positive thing. So, to date, nothing on the agenda, right?

Hon. Charles Sousa: Yes. We recognize the proposals and the recommendations, and we have not made a decision to do that.

Ms. Catherine Fife: Okay. Thank you.

How much time do I have, Mr. Chair?

The Chair (Mr. Michael Prue): About eight minutes.

Ms. Catherine Fife: Okay. I'm going to move on to my favourite topic, which is child care. You know, when the province moved into implementing full-day kindergarten, it was based on Mr. Pascal's broader vision of a seamless day, which was inclusive of before and after care that would have been board-run. With every year that FDK rolled out, your government decided that they would not adhere to the original plan.

On page 77, you indicate some transition funding for the child care sector. As full-day kindergarten rolled out, the child care sector of course became more and more destabilized—it was already a patchwork system as it was.

Has the government looked at those school boards that have followed through on the original vision of board-operated before and after care, which was a good vision, with the view to using some of this transition funding to support the child care sector specifically?

Hon. Charles Sousa: I think it's appropriate to refer that question to the Ministry of Education. I recognize that in our budget we spoke about the impacts of full-day kindergarten and the implementation we've rolled out. We recognize, also, the tremendous benefit of Charles Pascal's recommendation proposals based on the extensive work of individuals like Dr. Fraser Mustard, who highlighted the benefits of early years education for

future years, and greater success in high school and post-secondary thereafter, or any means of education. We know that socialization in younger years makes it even more beneficial for those students later in life.

Even the work that Dr. Fraser Mustard did around Beatrice House, trying to support those in need of child care services, those in need of care, those in need of having a warm breakfast in the morning just to get by throughout the day—a tremendous benefit. We really respect some of that work, and we've tried to implement some of that by introducing all-day kindergarten.

Others also wrote at some length about this, even during the previous government. Individuals like Margaret McCain and Charlie Coffey were outlining a report to support early years education for the benefit of later years. Those are initiatives that we also hold dear. We recognize the benefit it has on our children and, more importantly, on future generations, and we will continue to support the system. But I would suggest that the question you've posed and the proposals that are being anticipated are best responded to by the Minister of Education directly.

Ms. Catherine Fife: Well, you have figures here in the budget around trying to modernize child care, but when the Liberal government backed away from the original vision of Pascal, which you have quite accurately praised, there is obviously a trickle-out effect going forward.

I think the NDP was successful in actually securing some transition funding for the child care sector as full-day kindergarten rolled out. But the idea of making use of existing infrastructure in our schools: That is playing itself out in several jurisdictions—Ottawa, Waterloo, originally Rainbow—and at no cost to the taxpayer because it's a user-fee system for the before and after.

But these numbers—when you look at page 77, you have some numbers which are very, very low for transitioning the child care sector. I just want to point out that these numbers are not going to sustain the child care system as we see it in the province of Ontario. I'm not sure if you've done any analysis on that, but they won't even maintain the current level of service.

Hon. Charles Sousa: Yes, so those are the numbers that we've identified. In terms of analysis and the implications of it, again, the Ministry of Education is where we should be referring this to.

Ms. Catherine Fife: Okay. I have no further questions, and I'm really, really happy about that.

Hon. Charles Sousa: Good questions, though.

The Chair (Mr. Michael Prue): All right. It now goes to the government. You have 20 minutes.

Mr. Joe Dickson: Thank you, Mr. Chair. Minister, you were addressing fighting the underground economy, and you did mention several initiatives. The federal government is onside, and how they work with it, and technical retail rather than cash, taxing the HST and the very efficient and effective flow-through system, the loss of pensions if you don't pay and so on and so forth—could

you give me more information on that? Could you expand on that any further for me?

Hon. Charles Sousa: In terms of revenue integrity and what we're doing to ensure that companies that are competing in Ontario are paying their fair share, and more importantly, what we are doing to attract more companies to compete in Ontario because of the competitive nature of our jurisdiction relative to other parts of the world and other parts of North America, for that matter—these are all very critical. But we need to ensure that there's fairness in the system so that those other companies and individuals that wish to compete in Ontario do so on a level playing field and in a fair manner. That's why the underground economy is something that we are attacking and redressing.

We've put a few measures in place and we've outlined them in the budget. We're calling on the federal government also to do more by including to release its strategy on their underground economy at the earliest opportunity. A national strategy is also important to raise public awareness and provide a framework for improved sharing of information across provinces and territories, and supporting investment and identifying appropriate technology tools to deal with the devices intended to tamper with the recording of sales and collection of taxes. Those are just some of the initiatives that were taken to attack the underground economy, and I've already responded in regard to the things that we're doing for tax avoidance measures.

Those are more around the enforcement areas of the way we operate as government. But it is also incumbent upon us to stimulate and attract those investments just by the very productive manner in which the province operates and the potential for us in this province to outperform other parts of the world. So we're always trying to attract those investments based upon other factors like our skilled workers, like public education, like universal health care—those three aspects are a huge attraction for investment in our province.

Another thing that I may say is also critical for our success is this notion that we are a trusted jurisdiction in that our judicial system and our mode of operation gives people comfort, gives investors around the world comfort that when they come to Ontario, they can depend and count on the system working for them. That is why tackling the underground economy and these other things are critical for us, so that we find an appropriate mechanism that everyone can succeed and do their part appropriately.

Mr. Joe Dickson: Thank you. Mr. Minister, in Ontario, we have added a new rural minister, and our Premier has taken the added position of Minister of Agriculture for a one-year term to assist rural areas. Can you give me some insight as to some of the other things the government is doing, other than at the political level, to support rural municipalities in this province?

1710

Hon. Charles Sousa: Yes. Thanks for the question.

The Chair (Mr. Michael Prue): Is this a line item? If it is, go ahead, but I'm just trying not to let this deviate into a political—

Hon. Charles Sousa: Well, there is a line item in the budget that deals with rural support by way of our \$100 million for roads and bridges in rural communities, and I can discuss that.

The Chair (Mr. Michael Prue): Please proceed.

Mr. Rob Leone: Point of order, Chair.

The Chair (Mr. Michael Prue): Point of order.

Mr. Rob Leone: Is this a line item in the budget or a line item in the Ministry of Finance's estimates? Because if it is a line item in the budget and not in the Ministry of Finance estimates, I think the point that was made earlier with respect to the Ontario Northland, the ONTC, is in order. I think we have to be very clear about what we're doing here. I'm happy to allow the question to proceed, but our position is that we have to have our questions heard as well.

The Chair (Mr. Michael Prue): I think the point is well made. Is this a line in the estimates?

Hon. Charles Sousa: This is a line item in the budget.

The Chair (Mr. Michael Prue): Is it a line item in the estimates?

Hon. Charles Sousa: No, it's not in the estimates.

The Chair (Mr. Michael Prue): Okay, then I would—

Mr. Steven Del Duca: Mr. Chair, so that I'm completely clear on this, from this point forward we're going to continue to narrow the scope. So when I hear the member opposite talk about stuff that took place back in 2002-03, 1997, when Leslie Frost was Premier of Ontario etc., I assume that the scope will be so severely limited that it's going—

The Chair (Mr. Michael Prue): I don't think that's going to happen because we have less than 20 minutes left. Most of that will belong to the Liberal Party.

Mr. Steven Del Duca: I enjoy history lessons, but only the ones that are truthful, I suppose.

The Chair (Mr. Michael Prue): Everybody here is truthful, and everybody here is honourable. We don't need to get into this with 20 minutes left to go.

Mr. Steven Del Duca: You're right. I withdraw that last comment. Sorry.

Mr. Rob Leone: A point of order, Chair, with respect to that: The only reason why I would bring those up is to have—

Mr. Mike Colle: Point of order: Is this against our time or his time?

Mr. Rob Leone: —a comparison with what's happening in the line items. That's the only reason why I'm doing that, just to be clear. Thank you.

The Chair (Mr. Michael Prue): It's a point of order. Everybody understands. Please proceed.

Hon. Charles Sousa: We put in our budget \$100 million to support rural communities, to ensure that there is some sustainable funding for them to invest and for them to plan on a number of initiatives that enable those municipalities in those communities to also grow.

Urban centres around the province have gas tax—which, by the way, we've made permanent—but in the rural communities we've introduced \$100 million for roads and bridges, to enable those communities also to invest to maintain their communities and their services, services that are critical for some of the reasons you've just cited.

One of them is to promote our agricultural sector and our agri-foods business. The Premier, as you noted, is not only the Minister of Agriculture, but she's also the Minister of Food. These are massive GDP contributors to our province. It is a tremendous economic benefit, with huge trickle effects that benefit our province and our GDP growth. It's a tremendous industry.

Some of the innovative ideas and innovations that are occurring in that ministry are enabling those smaller businesses and small farms to compete and punch above their weight, in relative terms to some of the other manufacturers. That's only because of some of the technological changes that have been advanced right here in Ontario, through universities like Guelph, for example.

Some of the investments that we've made in education and investments that we continue to make in innovation enable some of these sectors of our economy in the rural communities to succeed and be even more competitive. The inclusion of having a Minister of Rural Affairs only reinforces the attention that our government has taken to look at those initiatives in a much greater way for the economic well-being of the province. Through the Ministry of Finance's collaboration with those two ministries, we've made advancements to rural communities—even with the introduction of some of our economic development funds that enable some of those communities to benefit.

We recognize also that in rural Ontario it's not just about agriculture; it's also about new, modern manufacturing as well. For that, we also see tremendous untapped potential in the manufacturing sector of those communities, especially, as I have mentioned, around agri-foods.

Take, for example, Wheatley, Ontario; Leamington, Ontario, out in southwestern Ontario. The Great Lakes: Ontario has the largest freshwater fisheries in the world right here in Ontario—

Mr. Rob Leone: Point of order, Chair.

Interjection.

The Chair (Mr. Michael Prue): We're going to get to there, too, but state your point of order.

Mr. Rob Leone: I'm enjoying the deliberations today, but again, I'm still struggling to understand how this is a line item in the Ministry of Finance budget. It's a good advertisement of rural Ontario and the Great Lakes fisheries, but what do they have to do with the budget? I've been struggling for the last three minutes to figure that out.

The Chair (Mr. Michael Prue): And I haven't heard how this relates to the budget either—

Mr. Rob Leone: To the estimates.

The Chair (Mr. Michael Prue):—so would you please get to the estimates—not the budget, the estimates. If you get to the estimates, how the Great Lakes fishery is somehow in the estimates, we'll appreciate that.

Hon. Charles Sousa: It's all about increasing our GDP. It's all about increasing our economic growth in the creation of jobs. It's all part of our six-point plan in our budget. In our budget, we talk at great length about how to improve our GDP and our economic growth through the stimulus and the incentives that we're providing for companies and for sectors of our economy like the fisheries. These are opportunities that are afforded only in Ontario and that are not available in other provinces. What we need to do is find ways to foster that growth, find ways to promote Ontario's competitiveness with other parts of the world when it relates to the agri-food business, an item in our budget that is a tremendous contributor to our GDP. It is why the Premier of this province is minister of agri-foods and agriculture.

I appreciate the question because it's important to the prosperity of our province.

Mr. Joe Dickson: Thank you.

The Chair (Mr. Michael Prue): Mr. Colle?

Mr. Mike Colle: I hope I can ask a question, anyway.

The Chair (Mr. Michael Prue): You can ask a question.

Mr. Mike Colle: I hope so.

The Chair (Mr. Michael Prue): Just relate it to the estimates.

Mr. Mike Colle: Yes. My question, in terms of what I asked the other day, is a follow-up to the uploading of services from the municipalities: where that is at in terms of the uploading of ambulance costs, in terms of uploading some of the soft welfare costs, and how that's impacting our budget and your estimates. What is the process in place? In other words, are we taking an across-the-board approach in terms of uploading? Or are we doing one sector at a time? I know this is based on the MOU with AMO and the municipalities. I just want to see where that is at and where it's going in your projections for the future impacts on the provincial bottom line as you take these municipal costs off their books. What's basically the projection on your provincial—

Hon. Charles Sousa: Thank you for the question. It is a line item in our budget. It is something that we've identified. It's on page 140 of the budget. It talks at great length about working in partnership with the municipalities and it talks about the Ontario Municipal Partnership Fund, which we've identified with the municipalities as being changed over the next—it will be phased down with the offsets of increasing the provincial uploads. So the ongoing support to municipalities will actually increase to \$3.7 billion by 2016, and that has been a gradual increase since 2000. The projections are highlighted on page 141.

It's an important thing to understand because it is only one taxpayer. When we hear about cuts that are necessary at one order of government, well, then of course it has

massive consequences on another order of government. So we've got to be clear that what we do has to be done in partnership, and we have to do it in lockstep so that the benefit is still there for the taxpayer and for the economic well-being of the province.

Some of the uploads that we've taken are alleviating some of the pressures on those municipalities for property taxes. We have instituted up to \$125 in court security and prisoner transportation costs off the property tax base.

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Despite the province's fiscal challenges, the government continues to honour its commitment to upload the municipal share of these costs off the property tax base. In 2013 alone, the benefit to municipalities as a result of the provincial uploads will total almost \$1.4 billion. These uploads will ensure that taxpayers on a property tax basis have more availability for other priorities municipalities need, including investments in their infrastructure and economic development.

I should also note—and this is highlighted on page 140, by the way—that together with the OMPF, the Ontario Municipal Partnership Fund, the province is providing municipalities with a combined benefit of over \$1.9 billion in 2013. That's more than three times the level of funding provided under the previous program.

We will continue uploading. Our projections call for increased support to municipalities, and that will ease their pressure and enable us all to have a greater return.

Mr. Mike Colle: You mentioned court security. What are some of the other areas where there's been a shift from the property tax base to the provincial?

Hon. Charles Sousa: Do you want to provide some of those?

Mr. Steve Orsini: Yes. The government is providing substantial money to municipalities for infrastructure. For a lot of big public transit projects, the province is picking up a large share of those costs. That helps municipalities. On the uploading of social costs, the government has agreed to cover the costs of the Ontario Disability Support Program, the Ontario Works program. This is being phased in by 2018, and some of the cost-sharing, the admin costs for the Ontario Works program.

These are a number of things the province is removing from municipal costs—therefore, from the property tax base—to allow municipalities to invest in other important areas in their municipalities.

Mr. Mike Colle: What year did this start, the first uploading? Was it 2006?

Hon. Charles Sousa: There's a chart on page 141—

Mr. Mike Colle: I don't have that.

Hon. Charles Sousa: This is in our budget. It highlights some of the actual uploads that have occurred since 2000, in 2003-04, and then, of course, the major increases in 2006 onward.

Mr. Mike Colle: Given the financial challenges faced by the province and the major infrastructure investments we're making, is the plan to continue the rate of uploading as seen in the last couple of years? Is that set in

stone, or is there any flexibility, given the province's pressures?

Hon. Charles Sousa: We've built into our budget and into our business plan continuing increases in uploads. In fact, there's been over a 200% increase from the level provided since 2003. You'll note that the actual amount of increases was around \$3 billion. It's projected to go up to \$3.4 billion—or it is \$3.4 billion in 2013, to go up to \$3.7 billion by 2016. That's what we put in our projections.

Mr. Mike Colle: Just one other question; I hope I can ask this question. The automotive industry and the importance it has and the number of jobs—the big manufacturers, the Big Three. We know that, and we know how many jobs in the related industries—parts distribution, electronics, tire manufacturers etc.

It is so important to Ontario's economy and Ontario's bottom line and projections going forward, I've always found it to be a bit of an anachronism that if you lease a car and you're a salaried employee, you have no write-offs or no deductions at all, whereas a person who is partially or somewhat self-employed or has a business can write off part of the cost of leasing.

My question to you is, since one of the biggest reasons why auto sales are the highest they've been in decades is because of leasing—the reality is that more and more people are leasing their vehicles—wouldn't it be perhaps advantageous in terms of personal income, giving people a break, and in terms of the industry, in creating more jobs by people leasing more cars, to consider some kind of tax break to individuals who lease automobiles or trucks?

That's the question I have, and whether you've ever considered it, because people who have a truck or a van or a car may be working for someone else, but they need that car to get to work. I was just wondering whether that's ever been looked at as a possible direct incentive to individuals, and also the long-term benefits of getting more people to buy Canadian-made automobiles.

Hon. Charles Sousa: I'll answer that question, and before I do, I do want to note also that in the uploads in that previous question, there is a source, which is the Provincial-Municipal Fiscal and Service Delivery Review—Facing the Future Together, a signed agreement that we did in 2008 with the Ministry of Finance as well as the municipalities, to enable us to continue and ensure that this increase takes place.

In regard to your other question, the tax benefit of leasing versus ownership versus write-offs as it relates to work, the federal government, and in the ability for you to do your tax returns, actually does allow you to write off, based upon the use of your vehicle, whatever proportionate amount it may be for work versus personal. You can write off not only the lease costs, but interest costs if you're owning the car, or depreciated value of that vehicle as well. So there are some forms and abilities for that to occur even with individuals who use their cars for a proportionate amount of work and receive in some

respects mileage for that vehicle. Some of that exists already.

The Chair (Mr. Michael Prue): I'm going to stop you there. Because Ms. Fife did not use her full time, we actually have nine minutes left.

Ms. Catherine Fife: Well, I used my full time.

The Chair (Mr. Michael Prue): No, you did not. We have nine minutes left, and therefore each party has an additional three minutes, should you wish to use it, starting with the Conservatives.

Hon. Charles Sousa: Should you wish.

The Chair (Mr. Michael Prue): Should you wish.

Ms. Catherine Fife: When did you—

The Chair (Mr. Michael Prue): We use 15 hours in total; we have used 14 hours and 51 minutes with the minister in that chair. You asked for 15 hours, you get 15. It's the way estimates work.

Mr. Mike Colle: Use it or lose it.

Ms. Catherine Fife: Don't tell me what to do.

The Chair (Mr. Michael Prue): Okay.

Ms. Catherine Fife: No, just—seriously.

The Chair (Mr. Michael Prue): Okay. The Conservatives have three minutes, followed by the NDP, followed by the Liberals. You can make a statement; you can ask a question. It's your time.

Mr. Rob Leone: Give the old Gettysburg Address in three minutes.

The Chair (Mr. Michael Prue): You've got three minutes.

Mr. Rob Leone: All right. Minister, I want to ask you a question. You have net debt increasing at astronomical rates, \$20 billion this year. When do you project the net debt will have its first decrease?

Hon. Charles Sousa: In the budget, we make reference to that. As he looks up the page for you, I do want to state this, though: that our net debt-to-GDP ratio—

Mr. Rob Leone: I'm not talking about ratio; I'm talking about the actual figure, the net debt.

Hon. Charles Sousa: Well, the net debt-to-GDP ratio is what we're measuring. The net debt is an accumulation of both deficit and capital engagements and investments.

Mr. Rob Leone: Yes. So when do you expect the net debt will decline?

Hon. Charles Sousa: The net debt will be measured—

Mr. Rob Leone: Not the ratio. I mean the debt itself.

Hon. Charles Sousa: Pardon me?

Mr. Rob Leone: I don't mean the debt-to-GDP ratio. I have the figures. I mean the net debt, the number, the figure that goes up every year.

Hon. Charles Sousa: Yes, so the overall accumulation of debt, both by way of accumulation of deficit and/or capital expenditure, will be dependent upon the degree at which we have greater GDP so that we can offset the debt, but in that respect, we are—do you have it here?

By 2017-16, we anticipate a peak and then a reduction thereafter, and that will be the benefit of improvement to our—and in line to our target of going to 27% net debt-

to-GDP ratio, which will be a function of both GDP growth and the ability to reduce debt overall.

Mr. Rob Leone: So you have no forecast of when the actual net debt will be reduced?

1730

Hon. Charles Sousa: Oh, I do. On page 305 is our ratio that we are anticipating. In fact, I'm pleased to say that our ratio has beaten its target. But it's a function of our ability to afford the debt that we're measuring.

Mr. Rob Leone: The ratio, not the total.

Don Drummond had 10 major recommendations to reduce spending:

"(1) Reduce spending in all but four ministries.

"(2) Revamp local health integration and break down bureaucratic silos.

"(3) Make a 'clean break' from" what we call "corporate welfare.

"(4) Delay the implementation of full-day kindergarten to save \$300 million.

"(5) Modestly increase class sizes to save \$460 million.

"(6) Comprehensive arbitration reform.

"(7) Systematic pension reform.

"(8) Eliminate 10,000 non-teaching positions to save \$600 million.

"(9) Use competition"—

The Chair (Mr. Michael Prue): The three minutes have expired. So it's going to have to be a statement.

Ms. Catherine Fife: I've asked 89 questions of the minister, and I'm satisfied thus far with the questions.

The Chair (Mr. Michael Prue): Then the time gets split again. We have to use the whole 15 hours.

Ms. Catherine Fife: I'm going to ask something, then—

The Chair (Mr. Michael Prue): Okay. Go ahead.

Ms. Catherine Fife: —because I don't want to listen to anybody else.

You made a statement in the—actually, no; I think it was the Premier. She made a statement in the House saying that you have overachieved on the deficit reduction. But can you actually say that, given that there are some major amounts—\$1.1 billion in particular that you say that you've saved on teacher sick days; then, also, the debt that's paid back to you from corporations owed. Those are one-time amounts: \$1.1 billion in teacher sick days and approximately \$1 billion in corporate debt that you've counted that those corporations have paid back to you, and yet I'm not sure if that's an accurate costing. Can you address the one-time expenses that you've included in your deficit-reduction number?

Hon. Charles Sousa: Yes. We've been clear to state that the \$9.2-billion deficit achievement has been a function of one-time benefits, and that's why we're being cautious and continuing to take the necessary steps to tackle and eliminate the deficit on an ongoing basis and not to rely on those one-time initiatives.

Some of those one-time proposals around the pension activity have positive consequences overall on an ongoing basis. Some of the recommendations that the

previous question made reference to are also enabling us to have year-over-year benefit because we've implemented over 60% of some of those expense-control measures.

Yes, it's a combination of being disciplined and determined by taking actions to reduce costs and spending, but the achievements that we had last year were also a function of one-time initiatives, and we recognized and stipulated that.

Ms. Catherine Fife: Okay. So on the \$1.1 billion in banked sick days, though: Banked sick days are accrued over a 30-, 35-, 40-year career. So the savings that you've attributed to this deficit reduction number would only be realized over a 40-year period of time. In effect, is that real savings? Is it real money? Has it really been realized?

Hon. Charles Sousa: I'm going to have the deputy clarify. Some of that is the function of the net present value of the result of that negotiation in today's dollars.

Go ahead.

Mr. Steve Orsini: Once a decision has been made to reduce a future liability—liabilities that have occurred up to that date that you accrue in the year, because let's say you're taking a banked sick day, and you're going to be paid at a higher salary when you take it in the time, let's say, in your retirement—

The Chair (Mr. Michael Prue): I'm sorry, the time has expired, so you'll have to perhaps get the answer later.

You have three minutes.

Mr. Mike Colle: Yes. Minister, I just want to ask about the Ontario film tax credit. I know that when it was first introduced, the projections were that it would create jobs and attract film companies to Toronto and southern Ontario and Ontario in general. It was very competitive because we're competing with countries all over the world, not to mention Hollywood and the rest of Canada—BC especially. I was just wondering how that is working out in terms of maintaining its intended purposes, and is it still an effective use of the tax credit approach by your ministry?

Hon. Charles Sousa: It is an initiative that was introduced and has provided tremendous benefit to Ontario by attracting many filmmakers' productions to the province. It has been of tremendous value over the last number of years. It has enabled Ontario to be at the forefront in the arts and cultural community. More importantly, it has given us economic uptick in a big way.

But we are reviewing all those tax credits, as outlined in our budget, in terms of maximizing. It's also one of Don Drummond's recommendations to assess the degree of success and ongoing initiative.

We did introduce also the music fund by way of a grant as opposed to a tax credit to also complement the industry. It has provided an attraction for music production, for artists and performers to come to Ontario versus LA or New York. This is producing greater attraction to the province as well.

So some of these practices have provided benefit to the province, have provided greater industry and a number of tier-two, tier-three and tertiary industries that support the system. It has also provided innovative ideas. I mean, we have, in Ontario, received tremendous—

The Chair (Mr. Michael Prue): Okay, I'm going to have to stop you there. "Innovative ideas"—I have to stop you there. Three minutes—

Mr. Mike Colle: Just don't forget: Austin, Texas. Never mind New York and Chicago; Austin, Texas.

The Chair (Mr. Michael Prue): Fifteen hours having now expired, this concludes the committee's consideration of the estimates of the Ministry of Finance. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates.

Mr. Steven Del Duca: Chair, can I ask for a brief recess, please?

The Chair (Mr. Michael Prue): We can do it before any vote—but no, it's without amendment or debate.

Interjection.

The Chair (Mr. Michael Prue): Okay. If the committee—yes, you can ask for a recess. What time are you requesting?

Mr. Steven Del Duca: Just a brief recess, 10 minutes.

Hon. Charles Sousa: Am I free to go, Chair?

Mr. Michael Harris: They might need you to sub in.

The Chair (Mr. Michael Prue): Unless you want to stick around for the vote, you may all leave, except members of the committee.

Hon. Charles Sousa: Thank you; thank you all.

The Chair (Mr. Michael Prue): Thank you for your participation over these many days.

Therefore, the request having been made, we will take a 10-minute recess. Recessed for 10 minutes.

The committee recessed from 1737 to 1745.

The Chair (Mr. Michael Prue): Okay. I'll put the gavel down and resume the meeting.

Are the members ready to vote?

Ms. Catherine Fife: Yes.

The Chair (Mr. Michael Prue): All right. Now, just for the edification of some of the newer members, the votes start on page 211 of the expenditure estimates, if you have that with you.

Page 211 is vote 1201. Shall 1201 carry? Carried? I heard a no. All those in favour? Opposed? That carries.

Shall vote 1202 carry? That's on page 215. I heard a no. All those in favour, please signify. Opposed? That carries.

Shall 1203 carry? I heard a no. All those in favour, please signify. All those opposed? That carries.

Shall 1204 carry? I heard a no. All those in favour? Opposed? That carries.

Shall 1208 carry? All those in favour, please signify. All those opposed? That carries.

Shall 1209 carry? I heard a no. All those in favour, please signify. All those opposed? That carries.

Shall the 2013-14 estimates of the Ministry of Finance carry? All those in favour, signify. All those opposed? That carries.

Shall I report the 2013-14 estimates of the Ministry of Finance to the House? Carried.

Mr. Rob Leone: We made that one easy on you.

The Chair (Mr. Michael Prue): That would conclude today. We are adjourning until tomorrow at approximately 3:45 p.m. to hear the estimates on the Ministry of Tourism, Culture and Sport. Five hours have been set aside for that ministry.

Meeting adjourned.

The committee adjourned at 1747.

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Tuesday 1 October 2013

Journal des débats (Hansard)

Mardi 1^{er} octobre 2013

Standing Committee on Estimates

Ministry of Tourism,
Culture and Sport

Comité permanent des budgets des dépenses

Ministère du Tourisme, de la
Culture et du Sport



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 1 October 2013

Mardi 1^{er} octobre 2013*The committee met at 0900 in room 151.*MINISTRY OF TOURISM,
CULTURE AND SPORT

The Chair (Mr. Michael Prue): We will call the meeting to order. We are here today for consideration of the estimates of the Ministry of Tourism, Culture and Sport for a total of five hours.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may, at the end of the appearance, verify the questions and issues being tracked by the research officer.

Any questions before we start?

I am now required to call vote 3801, which sets the review process in motion.

We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then the minister will have 30 minutes for a reply. The remaining time will be apportioned equally amongst the three parties.

Minister, the floor is yours.

Hon. Michael Chan: Thank you, Chair, and thank you very much, committee members, ladies and gentlemen.

I welcome this opportunity to share information about the important work that my ministry is doing on behalf of the people of Ontario to build our great province, create jobs and drive innovation through tourism, culture and sport.

First, let me take a moment to provide some context—how the results we're achieving in Ontario's tourism, culture and sport sectors contribute to our government's plan for a prosperous and fair Ontario.

As we are all aware, we continue to feel the after-shocks of the global economic downturn in 2008 today. Economies worldwide continue to struggle. In Ontario, our heavy reliance on the US economy, the strong Canadian dollar, high oil prices and modest US growth have presented us with challenges. But with challenges come new opportunities.

In Ontario, thanks to our government's firm belief that we must take a balanced approach, we are recovering

from the recession. We are making smart investments for Ontario's long-term prosperity while remaining steadfast in our efforts to eliminate the deficit.

Today, Ontario enjoys a strong foundation for growth and prosperity. We must continue to build our strong, prosperous economy. Our budget presented the government's plans to create jobs and invest in Ontario's future.

Job creation is an important measure of a healthy economy. When an economy is growing steadily, job growth is steady, too. When businesses and entrepreneurs take risks and make investments, Ontario's economy grows and creates jobs.

Ontario has the right environment for businesses and people to succeed. Jobs, investment, innovation: That's what we need in Ontario; that's what tourism, culture and sport is all about.

But before I elaborate on the work of my ministry and the many ways that our ministry delivers jobs, investment and innovation to Ontario as part of its mandate, I want to talk about a high-profile project that supports all three sectors of my portfolio: sport, culture and tourism. It will enhance the economy of Ontario by creating jobs, raising our profile on the international stage and showcasing our many cultural and tourist attractions.

Of course, I am referring to the 2015 Pan/Parapan American Games, which Ontario is proud to host for the very first time. As minister responsible for the games, I know that I am speaking for all Ontarians when I say that they are looking forward to seeing our sport sector shine in the international spotlight in 2015, when we welcome the world to our great province.

Together, my ministry, the Pan/Parapan American Games Secretariat, athletes, officials, visitors and volunteers will deliver a great games for Ontario and Canada, a "peoples' games" in Ontario that will be affordable, accessible and an exceptional experience for athletes, Ontarians and visitors to our province. We look forward to welcoming athletes and officials from the Americas and the Caribbean to Toronto and Ontario in 2015. We are committed to providing them with an exceptional experience, both on and off the field of competition.

Hosting the 2015 games will ignite the power of sport in communities across our province and inspire all Ontarians by highlighting the value of sport and the health benefits of active living. The 2015 games will transform Ontario's sport infrastructure with new facilities and programs for athletes of all abilities. This will give our athletes the opportunity to train and compete at home in

new and improved facilities that Toronto 2015 will be developing.

The games, and games-related investments, will be a key economic driver in the greater Golden Horseshoe area over the next two years. They will:

- trigger investment in new and current sport and recreation infrastructure;

- create more than a whopping 26,000 jobs and grow Ontario's real GDP by another whopping \$3.7 billion from 2009 to 2017;

- attract an estimated 250,000 tourists;

- bring 10,000 athletes and officials to Ontario;

- build and train a team of up to 20,000 volunteers, a valuable foundation for future events and community building; and lastly

- showcase Ontario as an excellent host, promote Ontario as an ideal location for international investment and celebrate Ontario's creativity and diversity.

I also want to let you know that our government recognizes the importance of keeping the games accessible, affordable and on budget. We take that responsibility very, very seriously. We are keeping a strict eye on the budget. Through diligent financial reporting and risk management, we are making sure that the provincial funding for the games is spent wisely and in accordance with the approved budget. I'm pleased to tell you that to date, all capital projects are on time and on or under budget.

Mr. Chair, committee members, ladies and gentlemen, I want to ask you to consider the transformative power of a great sports event like the 2015 games. The games are already providing an economic boost and speeding up our work on major infrastructure and transportation projects. Beyond the games, they will transform our communities.

Let's look ahead to 2015. All eyes will be on Ontario as millions of viewers worldwide tune in to watch international contenders compete. When Ontarians and international spectators stand together, cheer together and celebrate together, and when the excitement is over and the games will have made its mark in the history of sport, we in Ontario will know that our investment has paid dividends to future generations by inspiring young people to follow their dreams, to set goals and to strive for excellence by building communities where people step forward to volunteer to make great things happen, and by showing the world that Ontario is a contender on the international stage. While the games are certainly an exciting opportunity, I don't want to let them overshadow all the other great work that my ministry does to support tourism, culture and sport in Ontario.

0910

Tourism is a vastly important economic driver worldwide, and it is an important contributor to this province's prosperity. Tourism generates more than \$23 billion for Ontario's economy and supports more than 300,000 jobs. Even though the global economy has presented challenges to Ontario's tourism industry, we are seeing encouraging results. Figures show that visits to Ontario

increased by 1.3% to 106 million in 2012 over 2011, and visitor spending was up by 1% to nearly \$18 billion. These increases are from American, overseas residents and Canadian travellers. A new report by the World Economic Forum lists Canada as one of the world's top 10 tourist destinations—among 140 nations—and, within Canada, Ontario is leading every region in the country in tourism visits and expenditure.

The World Tourism Organization estimates that international tourism will increase by an average of 3.3% per year. This means that roughly 43 million more tourists will join the international tourism marketplace each year. In Ontario, we are working to position Ontario to fully capitalize on this growth and gain market share. We are working to make sure that conditions are right for tourism to grow and for business to invest in the tourism industry.

Knowledge-intensive and creative industries support a higher quality of life and good jobs, making Ontario an attractive place to live, work and raise a family. Jurisdictions throughout the world have also identified cultural industries as key contributors to their economic growth and development. Today, the global entertainment and media market is estimated to be worth more than \$1.6 trillion, and it's expected to grow to over \$2.1 trillion by 2016. Ontario is one of many jurisdictions worldwide that is competing for a stake in this lucrative international marketplace.

Ontario's cultural sector generates more than \$20 billion annually in economic activity. Our entertainment and creative industries support over 300,000 jobs. Ontario enjoys being the third-largest jurisdiction for film and television production in North America by employment, after California and New York. Our thriving film and television industry contributed \$1.28 billion to the provincial economy in 2012 and accounted for almost 29,000 full-time direct and indirect jobs. When translated into economic impact, these numbers tell us that the creative sector makes up one of the fastest-growing sectors of Ontario's economy.

Participating in sport and recreation is vital to the health and well-being of Ontarians. Our government recognizes the importance of being active in sport, and we have strengthened opportunities within our communities and for our athletes. Since 2003, our government has increased support for amateur sport by 170%. In 2012-13, we provided over \$20 million to promote participation and excellence in sport across Ontario. Working in partnership with the federal government, we have invested more than \$634 million in more than 1,100 sport and recreation infrastructure projects since 2006. These investments help Ontario athletes reach the highest levels of competition, improving local sport and recreation facilities and contributing to the health and quality of life of Ontarians.

Mr. Chair, members of the committee, ladies and gentlemen, I've just introduced you to the work of our tourism, culture and sport sectors. I have talked about how tourism, culture and sport contribute to building a

prosperous Ontario. Now I would like to talk about what we have done and where we are headed.

The 2009 tourism competitiveness study recommended a number of steps for my ministry to take and develop how government and industry partners work together. For example, my ministry created 13 tourism regions to strengthen the tourism industry in Ontario and make it more competitive. Through valuable industry partnerships, regional tourism organizations and destination marketing organizations can broaden their financial base to extend their reach and grow tourism throughout our great province.

My ministry is proud to have supported the development of the workforce development strategy by the Tourism Industry Association of Ontario, in consultation with the Ontario Tourism Education Corp. in 2012. The tourism workforce development strategy will help us meet the current and future needs of the tourism industry and ensure our ability to deliver world-class service and experiences today, tomorrow and for years to come.

Last November, we launched our tourism investment strategy that aims to raise the profile of Ontario as a place to invest in tourism and present investment opportunities to potential international investors. We have seen more than \$9 billion in capital investment in new hotels, upgrades and acquisitions over the past 12 years. That means thousands of jobs and continued tax revenues for municipalities. There are many success stories of private sector initiatives and public-private partnerships that have led to wonderful attractions in Ontario like Legoland Discovery Centre in Vaughan and the new Ripley's Aquarium opening in Toronto soon.

My ministry has committed to ensuring attractions are accessible and exciting for Ontarians. For example, we are moving forward to revitalize Ontario Place into a year-round multi-use waterfront destination and urban park for all Ontarians to enjoy. A new Ontario Place is part of our government's plan to grow tourism through investments that will stimulate Ontario's economy, create jobs and develop new opportunities and experiences. Ontario is taking the next step in the revitalization of Ontario Place by creating a new urban park and waterfront trail. This will give Ontarians new green space and access to part of the waterfront that has been closed to the public for more than 40 years.

We have also provided exciting experiences for residents and visitors alike to explore. Since 2003, we have invested more than \$233 million in some 4,200 festivals and events all over Ontario. These investments attract new visitors, boost local economies and generate over 22,000 jobs for Ontarians every year. Major festivals and events that have benefited from Celebrate Ontario and other funding programs include Luminato, the 100th anniversary of the Grey Cup, the International Indian Film Academy weekend and awards, and, this summer, the Tall Ships 1812 Tour, part of Ontario's program of events to commemorate the bicentennial of the War of 1812.

Ontario is putting up a big welcome sign to bring the international market home. International visitors stay

longer and spend more. We have expanded into new markets like China. Last year, Ontario welcomed 122,000 visitors from China. That's 20% more than in 2011. And that's already paying dividends—the giant pandas have arrived at the Toronto Zoo.

0920

Since China granted approved destination status to Canada in 2009, visits from China have shot up by 40% in 2011 compared to the year earlier. By next year, we expect those numbers to almost double, to nearly 200,000 people. That's tourism dollars in our communities.

It's been my privilege to represent our government in promoting mutual benefits through closer ties with China in the areas of commerce, tourism and culture. Our latest mission to China, earlier this year, resulted in Ontario signing three agreements with China that are expected to benefit Ontario's tourism industry by more than \$200 million.

Mr. Chair, committee members, ladies and gentlemen, you'll also find the same wealth of innovation and inspiration that drives the success of our tourism sector in Ontario's creative sector. Culture plays a strong role in building a competitive economy here in Ontario. It's one of Ontario's fastest-growing sectors, demonstrating a 15% increase since 2003. That's equal to 39,000 new jobs.

The Ontario Arts Council recently released new analysis in its Ontario arts and culture tourism profile, which says that spending by arts and culture tourists generated \$3.7 billion in GDP province-wide in 2010; 67,000 jobs and \$2.4 billion in wages; and \$1.7 billion in taxes.

Since 2003, our government has invested more than \$4.8 billion in the cultural sector. These strategic investments drive innovation, create jobs and provide a better quality of life for all Ontarians.

Here in Ontario, we are fortunate to be home to almost 57,000 professional artists, people who, through their work, are enhancing not only the cultural life of their communities, but are also helping to build a strong economy.

Each year in Ontario, the cultural sector contributes more than \$20 billion to the economy and is one of our fastest-growing sectors. This success is not accidental. It results from hard work, co-operation, co-ordination and collaboration on the part of the sector, our government and our partners.

This year we're launching the Ontario Music Fund to support Ontario's music industry, a vital contributor to our province's cultural and economic prosperity. According to Statistics Canada, in 2011, Ontario's music sector generated more than \$429 million in revenues, accounting for almost 82% of Canada's total revenues. Through \$45 million in grants over three years, the Ontario Music Fund will drive productivity and competitiveness. It will also support Ontario's Live Music Strategy, positioning the province as a leading place to record and perform music.

We have already seen remarkable returns on our investment in Ontario's creative economy. Investing in the

cultural sector is a robust and winning business strategy to grow the industries and jobs of the future.

Mr. Chair, members of the committee, ladies and gentlemen, I'm sure that you'd agree with me that underlying all of our work as a government is our goal of building strong, vibrant and liveable communities in Ontario.

We know that it's important for Ontarians to be active in sport and recreation. In 2012-13, we provided more than \$23 million to our sport partners to promote participation and excellence in sport across Ontario, including almost \$10 million for the Quest for Gold program to assist Ontario's high-performance athletes; our support for provincial sport and multi-sport organizations to fund provincial sport competitions and training for athletes, coaches and officials; and since 2006, we have supported 32 events through the introduction of our international amateur sport hosting policy, improving high-performance sport in Ontario and positioning our province as a key destination for sporting events—events like the International Ice Hockey Federation World Junior Hockey Championships; the Toronto International Track and Field Games; and, the World Figure Skating Championships.

Hosting international and national sport events increases economic activity by stimulating tourism and creating jobs. It also provides Ontario's athletes and para-athletes with a chance to compete at home to prepare and excel at world-class events such as the upcoming Pan/Parapan American Games.

Increasing affordable access to active living and the natural beauty that has become synonymous with Ontario, we have introduced the Ontario Trails Strategy. Ontarians use 80,000 kilometres of trails for recreation, tourism and transportation. Since 2009, our government has invested over \$77 million to support these trails. Annually, these trails generate \$2 billion in economic activity throughout the province.

Jobs, investment, tourism, culture, sport—they are all intertwined and all are integral to the work that we do in my ministry. More importantly, all are integral to the success of Ontario.

Thank you, Chair. I'll pass it on to—

The Chair (Mr. Michael Prue): I was just going to ask that. There are five or six minutes left. If Minister Sergio wants to use it, he can.

Hon. Mario Sergio: Whatever I can, Chair. It's a pleasure to be here in front of my colleagues. This time I'm on the other side of the table so it's a bit different, but here we go.

I'm grateful to the committee for the opportunity to talk to you today about what our government is doing to help seniors live lives of quality and dignity. As the minister responsible for seniors' affairs, I'm pleased to speak to our budget estimates.

Also joining me today are Mr. Chisanga Puta-Chekwe, the deputy minister responsible for seniors, and Juanita Dobson, the assistant deputy minister, Ontario Seniors' Secretariat. I would like to note for the committee that as

of July 2, 2013, the Ontario Seniors' Secretariat now falls under the Ministry of Citizenship and Immigration. However, for the purpose of estimates, the reporting is still under the Ministry of Tourism, Culture and Sport.

The Ontario government, together with our community partners, seniors and their families, is making Ontario the best place in North America to grow old. We are living longer. Children born today have the prospect of living a longer life than any generation before them. Every year, the percentage of people in Ontario who are 65 or older increases slightly. By 2017, in just four years, for the first time, Ontario will be home to more people over 65 than children under 15. Ontario isn't alone in facing the impact of these changing demographics. Provinces across Canada and many countries are coming to terms with the challenges and opportunities resulting from an aging population.

What can and will set Ontario apart, however, is the quality of life that our seniors and their families lead. We know that a longer life can be a good life if it is lived with quality and dignity and our own wishes. That's why the government developed Ontario's new Action Plan for Seniors. The plan is Ontario's first integrated government-wide approach to seniors' programs and initiatives. It touches on many ministries. We have taken a broad approach with the plan. It recognizes the importance of government seamlessly delivering programs that are easy for Ontarians to access. The Action Plan for Seniors focuses on active aging, improving safety and security and creating better access to high-quality health care in the community. Most importantly, our plan provides seniors with choices and options so they can live the way they want.

We have developed our estimates for 2013-14 to reflect how we are working to implement the action plan and continue our ongoing work to improving the safety of retirement homes, preventing elder abuse, and many other ways to make seniors healthier, safer and more independent. This includes supporting the development of age-friendly communities—accessible, inclusive, social and physical environments, services and programs that enable older people to live active, safe and meaningful lives.

0930

In August, I had the pleasure of releasing the Age-Friendly Community—or AFC—Planning Guide at the Association of Municipalities of Ontario annual conference in Ottawa. We developed the guide in collaboration with the Accessibility Directorate of Ontario, the University of Waterloo and McMaster University and an advisory group that includes many municipal and community partners.

In a nutshell, it outlines step-by-step processes and tools to assist municipalities and communities to develop their local aging plans, and provides information to municipalities on the development, implementation and evaluation of plans for senior-friendly communities which are socially and physically accessible and inclusive. Our guide is the first part of a three-pronged initiative which

will also include showcasing best practices through the introduction of a recognition program and offering one-time seed grants to prompt start-up innovations in local age-friendly initiatives.

Part of the action plan includes making it easier for seniors and their families to find and gain access to programs and services that the provincial and federal governments and service providers offer them.

We want to make sure everyone's future is friendly, safe and supportive. A Guide to Programs and Services for Seniors in Ontario is another resource to help Ontarians achieve that future.

We have updated the guide to provide practical guidance on issues that affect our quality of life as we age: active living, caregiving, finances, health and wellness, housing, long-term-care homes, safety and security and transportation.

The Chair (Mr. Michael Prue): If I can just interject here, do you have much left?

Hon. Mario Sergio: I do.

The Chair (Mr. Michael Prue): Okay. Because we have two options here: We can go directly to the Conservatives and then to the NDP, then back to you to finish the speech, or we can let you finish your speech, if there's concurrence all around—your opening statement—and we will deduct that from the remaining time. Is that all right, that we allow him to finish and then—

Mr. Michael Harris: He can be given his time when the rotation comes up. We'll take ours now.

The Chair (Mr. Michael Prue): You want yours now? Okay. If they wish their time now, then I have to let that—

Hon. Mario Sergio: That is fine, Chair.

The Chair (Mr. Michael Prue): You can finish this. You will have time for rebuttal in about an hour. Perhaps not till this afternoon, but you will get that time.

Hon. Mario Sergio: Thank you, Chair and members.

The Chair (Mr. Michael Prue): Okay. Thank you.

Then we will proceed. The next half-hour belongs to the official opposition. You have 30 minutes. You may either make a statement or ask questions or both. The time is yours.

Mr. Rod Jackson: Thank you, Chair. Thank you, Ministers, for coming in today. I know that this is something that you probably look forward to for months and months.

The last few days have brought a number of different things to light with respect to the Pan Am Games, and I do have a few questions that I want to ask, but I'd like to preface it by saying that, first of all, I think everybody in this room and certainly everybody in the province wishes and hopes for the Pan Am Games to be the biggest success they possibly can, to shine a light on how great the GTA and all the hosting communities can be on a world stage and certainly to highlight our athletes and leave them with a legacy that they can train with into the future. That is first and foremost what everybody wants to see: nothing but success for the Pan Am Games.

Minister, in your opening statement you claimed that the money that has been allocated for the Pan Am Games is being spent wisely. Yesterday, we learned, unfortunately, that many of the highest-level Pan Am executives in TO2015 seem to be using the Pan Am budget and their expense accounts as their own personal purse—we've seen executives spending \$500 to \$700 on dinners. The troubling part about this, Minister, isn't the fact that they spent that money necessarily but they're expensed without proper adherence to regulation. We know that part of Pan Am's own regulations, as far as expenses are concerned, require any expenses that are submitted, especially for meals, to itemize the individuals who were being entertained at that lunch or dinner, or that meal. In many cases, that wasn't the case. That is a clear violation of the Pan Am Games organizing committee's own rules on expense reporting and expense claims.

We've also got examples where executives have submitted thousands of dollars in undisclosed expenses. This means that someone on the TO2015 organizing committee has submitted thousands of dollars of claims without receipts. Minister, you and I both know that you and I and every other official in this room are required to submit receipts for every expense; not only receipts, but detailed, itemized receipts of exactly what we are trying to expense. That's the way it ought to be.

Some other members of the committee whose salaries are well beyond the \$100K mark—we're talking about organizing committee management of about 38, I think, who are on the sunshine list, many of them over the \$300,000 mark, charging taxpayers for, you know, \$1.89 cups of tea and coffee, 91 cents for parking. One of them actually expensed having their pet travel from Vancouver to Toronto.

Minister, can you explain to me how these are examples of money being spent wisely, and what are you going to do about it?

Hon. Michael Chan: Thank you. Can I call you Rod?

Mr. Rod Jackson: Certainly.

Hon. Michael Chan: Fine, I couldn't agree with you more. I think all Ontario has the expectation to have a fantastic, successful and really wonderful Pan and ParaPan Am Games, come 2015. I think this is one goal that all Ontario should work for, that wonderful time that is less than two years from now. And yes, I hope the athletes, the coaches—I mean all people participating—will say after the games are finished, "You know what? I had a good time with Pan Am." You and I are together on this particular expectation.

You talk about there being no regulations in terms of expenditures, and I disagree, okay? You're probably aware—you talk about media reporting. You know, there's a policy in place in TO2015. There is a policy in place related to meals, hospitality and travel expenses. The policy was implemented, I think, more than a year ago now. So they do have a policy in place regarding those expenses.

You asked me about the items spent. Yes, you know, there are some challenges that came out recently, and I,

together with the Premier, have expressed our great disappointment. The Premier mentioned that some of those items are unacceptable—it is ridiculous—and to me, those are an irritant, to my anger, and those are a bad taste. It's just like someone drinking some kind of poison. So those are bad things.

I have done two things after those items came to my attention, which I think was about three weeks ago. When I learned about those items, I immediately engaged the board, and I told them, "Look, I am disappointed. I don't like it. I don't enjoy it. You know, this is absolutely not good." That's number one. Secondly, I asked them to engage the operation, which is TO2015, and told them or requested them to strengthen the policy related to meal expenses and travel, and strengthen and tighten up those rules so that they are more comparable to the ones we have.

In terms of, was there a policy in place that gave guidance and guidelines to those expenditures? Yes, it was in place. But it's not good enough, and we want that to be tightened up and changed for the better, and this is where we stand at the moment.

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Mr. Rod Jackson: Minister, the issue actually isn't that I'm worried or the people of Ontario are worried that there's a policy or not for expenses; I think it's clear that there was. The issue was that the policy wasn't followed. It's one thing to have a speed limit on a road; it's another thing to enforce that speed limit. Just by lowering the speed limit, it doesn't mean that people are going to drive slower. Just because you have a policy in place for expenses doesn't mean they're going to follow the expenses unless they're enforced.

You're the minister responsible for the Pan Am Games, correct?

Hon. Michael Chan: Yes.

Mr. Rod Jackson: Okay. You're responsible for the oversight of the expenditures of TO2015, correct?

Hon. Michael Chan: The board exercises that oversight. Let's be clear on this one. Pan Am has two units; one I call the operating unit, which is usually called TO2015, and there the top person is Mr. Troop, the senior executive, and below that are the director and the people working there. So this is one unit that is responsible for the delivery and staging of the games and all those logistics—hiring people, of course, senior management and all that.

Mr. Rod Jackson: Who do they answer to, Minister?

Hon. Michael Chan: The other unit is the board.

Mr. Rod Jackson: Who does Mr. Troop answer to? Does he answer to you?

Hon. Michael Chan: The board. Let me finish, please. You had a question and I want to finish so that I can give you a proper answer. The Toronto 2015 board is a five-party board. The structure in there is three representatives from the provincial government and three representatives from the federal government, and then you have one rep from the city of Toronto, which is a major centre for all these sports, and one from the Canadian

Parapan committee. Also, you have three from the Canadian Olympic Committee. So this is not Ontario alone. This board has a wide range of representation, representing federal, provincial and municipal, the sports sector and also the para sector. The CEO, Ian Troop, reports to the board. This is the total core of the structure.

Mr. Rod Jackson: So you aren't the minister responsible for the Pan Am Games?

Hon. Michael Chan: I'm the minister responsible for the Pan/Parapan American Games.

Mr. Rod Jackson: Okay. Back to my original question: Does Mr. Troop answer to you?

Hon. Michael Chan: Mr. Troop reports to the board.

Mr. Rod Jackson: Who's running the games? Who's in charge? Are you in charge? Who do we go to when we have a problem? When we have an issue like this, are you going to stand up and be accountable for this or not? That's what I'm trying to find out. Right now, we don't have any accountability here. You gave me the longest answer I've ever heard for a simple question that should have been one word, yes or no. You can't even tell me, Minister, if you're in charge of these games. What I'd like to know is, these receipts for expenses that were in bad faith, are you going to ask that board to pay them back?

I'd also like to know, did you provide that direction—actually, let's back up a little bit. When did you know about these expenses and when did you ask them specifically to tighten up their rules around the expenses? Did you do it in writing? If so, I would like a copy of this for the committee.

Hon. Michael Chan: I think you mentioned the word "refuse." I think you kind of refused to listen to my answer. Now I have to get back to your previous answers before you had these new questions.

You mentioned previously that the policy in place was not being followed. There are two pieces here—

Mr. Rod Jackson: Sorry, Minister, I'd—

Hon. Michael Chan: Well, you asked a question. You just keep jumping into more questions.

Mr. Rod Jackson: Did you say the policies in place have been—

The Chair (Mr. Michael Prue): Please, the questions have been asked. Give the minister an opportunity—

Mr. Rod Jackson: I'm just asking him to clarify his—

The Chair (Mr. Michael Prue): Yes, I know that, but he hasn't even started to respond yet. Please answer the question.

Mr. Rod Jackson: I just would like to know if the minister can just repeat what he said. Did you just say that the policy is being followed?

Hon. Michael Chan: You were asking in your previous statement—you mentioned about the policy in place not being followed. This was your statement. Okay?

Mr. Rod Jackson: That's correct.

Hon. Michael Chan: We can get back.

Mr. Rod Jackson: Absolutely, and then you said they are being followed.

Hon. Michael Chan: I want to tell you—okay? I want to make a comment on your comment, because I don't think you're right. So before I finish that, you're getting more questions here, which I have to tell down here. Let's do it one step at a time, please.

Mr. Rod Jackson: I'm just trying to clarify something you said, because I didn't hear it properly. It's as simple as that. Did you say that the policies are currently being followed for the expenses?

Hon. Michael Chan: You commented that the policy in place is not being followed, so I'm going to answer that. All right?

Mr. Rod Jackson: Okay.

Hon. Michael Chan: You'll give me the time to answer that?

Mr. Rod Jackson: All right.

Hon. Michael Chan: That's good. Thank you.

There was a policy in place, as I mentioned before, and they followed the policy. According to Mr. Troop yesterday, they failed on the common sense, meaning that there's a policy in place at that time, they followed the policy, all the expenses followed the policy, but they failed to use common sense. This is what Ian Troop talked about yesterday: "Okay, this is over."

I think you asked some other questions here, so if I don't catch your question right, please ask again. I think you asked, are we going to get a reimbursement? You asked that question. I'm telling you that if those expenses fall outside that policy, where we find those expenses fall outside the policy in place, we will ask for the reimbursement. So I answered that for you.

I think you asked when those expenses came to my attention. I said it before: They came to my attention three weeks ago, and I responded by contacting the board, expressing my disappointment and telling them to strengthen the board.

I think you had one more here, but I failed to put it down. If you can remember, you can ask again. So please go ahead.

Mr. Rod Jackson: Yes. I just asked if you could provide, in writing, the direction you gave the board to tighten up their rules on expenses.

Hon. Michael Chan: As I said previously, when those expenses came to my attention, I actually picked up the phone, and right away, I engaged the board. I told them, "All right, this is really not good, I have grave concern, and I want you to change it. So I asked the board to relay it to operations, which is 2015, and tell them, "Look at the policy, strengthen the policy and come back to me." So this is what I have done.

Mr. Rod Jackson: Okay. So there's no written evidence that you gave them direction with regard to expenses three weeks ago?

Hon. Michael Chan: I made it faster: I phoned them.

Mr. Rod Jackson: Okay. Let's go back to Guadalajara, London and Jamaica. We know that there were some parties or some hospitality that was provided, both at Guadalajara and London certainly, and perhaps in Jamaica. Can you give us an idea of what the costs of

those hospitality parties, suites, whatever they may have been, would be? They do not appear, and we have not been able to get access to that information.

Hon. Michael Chan: Okay. I took over this position about a month—those expenses and all that happened previous to my time. I understand the previous minister also attended the Mexico trip.

Look, you mentioned about a lot of expenses in there, and there's logistics and time involved in all that. So I'm going to ask the deputy to give you a detailed description of those expenses, you know, beginning and ending.

So, Deputy, why don't you go ahead?

Mr. Steven Davidson: Thank you, Minister. There are two organizations who provide leadership on the planning for the Pan and Parapan Am Games. One is TO2015, of course, and the other is the Pan/Parapan Games Secretariat within the government.

At Guadalajara, the participation there took the form of participation in what's called the observers' program. So there were attendees at Guadalajara from the secretariat who participated in that program to get first-hand insights into how the games were delivered. As part of that participation, as you've mentioned, Mr. Jackson, there was really a twofold responsibility. The first was to host receptions for delegations, athletes and the broader sport community to raise the awareness of Toronto as the 2015 host. But also there were certain quasi-diplomatic obligations with respect to the Pan American Sports Organization, PASO, where there were obligations as the upcoming host, to host.

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I do want to apologize that I don't have specific dollar figures with me right now in terms of the specific receptions hosted by the secretariat, but I can certainly endeavour to get those for you.

With respect to receptions hosted by the games' organizing committee, TO2015, at the point of—as is the minister's situation, I'm about two months on the file, so this was prior to my time. But we would need to request that information from TO2015. They run independently. As the minister has said, we appoint three of the 12-person board, so that isn't information that I have at hand, but I could certainly endeavour to get it.

Mr. Rod Jackson: Thank you, Mr. Davidson. Can you clarify for me something you said? Did you suggest that the secretariat and TO2015 hosted separate hospitality receptions at Guadalajara?

Mr. Steven Davidson: So I want to be very careful because, as I said, it was my predecessor who participated directly. My understanding is that there were complementary hosting responsibilities. But if you'll allow me, I'll confirm that, and confirm the answer with you just as quickly as I can.

Mr. Rod Jackson: Certainly. If you would do the same for London, I'd appreciate it, because I'm assuming the answer would be fairly much the same for London.

Mr. Steven Davidson: Sure.

Mr. Rod Jackson: So I have a question that's more kind of global in scope as far as the budget is concerned.

Actually, I do have one regarding the budget, as far as the hospitality that we just talked about. Where would that land in the budget? Would it be under revenue, marketing and ceremonies where something like that would fall?

Mr. Steven Davidson: I'm sorry, just to clarify, are you talking about the P/PAGS budget or the TO2015 budget?

Mr. Rod Jackson: Sorry, what was the first one you said?

Mr. Steven Davidson: The secretariat's budget or the games' organizing committee's budget?

Mr. Rod Jackson: There are two budgets?

Mr. Steven Davidson: Yes, there are two budgets.

Mr. Rod Jackson: Interesting.

I'd like to see, actually, for starters, if you could, the full budget for the secretariat for the Pan Am Games. I was not aware that the secretariat costs were not a part of the overall \$1.4-billion budget of the games.

But, yes, anything that—the 2015 expenses for hospitality. I'd just be curious to know where they fell within the eight-line budget for the \$1.4-billion games.

Mr. Steven Davidson: Could I just clarify in terms of the two budgets?

Mr. Rod Jackson: Please do.

Mr. Steven Davidson: The secretariat's budget is within the Ministry of Tourism, Culture and Sport's printed estimates. So that budget does include the annual contribution of the province to TO2015's \$1.441-billion budget.

Mr. Rod Jackson: So the \$54 million in the ministry's budget is included in the \$1.4-billion—

Mr. Steven Davidson: The \$54-million P/PAGS budget includes a \$44-million 2013-14 transfer to 2015, so that's the 2013-14 portion of the government's \$500-million contribution to the \$1.4-billion budget.

Mr. Rod Jackson: All right. So you're saying \$44 million of—

Mr. Steven Davidson: So \$44 million, I believe, is the 2013-14 transfer.

Mr. Rod Jackson: Okay. So what is the extra \$10 million for—

Mr. Steven Davidson: The additional \$10 million is the administration costs of the secretariat. That would include salaries and wages, IT, rent and services provided, such as marketing and hosting of receptions. That's within that \$10-million line.

Mr. Rod Jackson: Okay, so there is \$10 million for the Pan Am Games that's outside of the published Pan Am budget for 2015?

Mr. Steven Davidson: There's \$10 million to \$15 million of administrative costs that are budgeted for the secretariat, which is what's in the Ministry of Tourism, Culture and Sport allocation. Last year, you'll recall, it was within the Ministry of Citizenship and Immigration.

Mr. Rod Jackson: Yes. Okay, thank you.

So one thing, Minister, that I would hope that was of concern to you as well is the fact that, in 2011, we saw a budget published for the Pan Am Games; it was about 14 lines long. We asked numerous times for an updated,

detailed budget, and when it came, the operating budget portion of it had diminished to eight lines long. It actually got less detailed—more things rolled into others—and it left more questions, frankly. For example, Essential Services (Security, Legacy, etc.) is actually in there at \$235 million.

Can you tell me why it hasn't been updated since the spring of 2012, and does the fact that there is only an eight-line operating budget at about \$767 million—why isn't it more detailed? And if you have a more detailed breakdown of that, could you please provide it?

Hon. Michael Chan: Again, you're asking for some information, and I don't know which way you're doing it and under what platform you're doing it. Would there have been a phone call or written notice or did you require an FOI, which I have nothing to do with.

I can't answer your eight lines because I haven't seen it. I haven't seen what you asked for. You talked about something in 2012—

Mr. Rod Jackson: It's right here. It's actually right off the website, Minister.

Hon. Michael Chan: Fine, because I don't know what you asked for. I just cannot give you an answer on why you get eight lines, because I'm not aware of what you asked for; you just mentioned it. If you want me to look into it, I can look into it for you to give you a better answer if you like.

You mentioned about some million dollars—so here, Deputy, maybe you can find, in 2012, what he's asking. But we need a bigger picture from beginning to end. We just cannot, like this, you ask something and then you get something back and then I don't exactly know, in 2012—what exactly you asked on that.

But anyway, if you're looking for information, we do have estimates. TO2015, they post information on their website. We have our information on the website. Also, we talked about numbers. TO2015 does a financial report, on a quarterly basis, to treasury board. So we do have all those numbers you're looking for, and I'll endeavour to get it for you if you pass it on to us.

Mr. Rod Jackson: Okay, yes. Just to be clear—if there is any confusion—on the website for TO2015, there is an overall budget, the \$1.4 billion budget—

Hon. Michael Chan: Of TO2015, did you say?

Mr. Rod Jackson: Yes, it's right on their website.

Hon. Michael Chan: Okay.

Mr. Rod Jackson: The operating portion of it is what I'm particularly interested in. That's what the province is specifically responsible for: the operations of the Pan Am Games. It's eight lines long, which I think is woefully missing in detail. All I'm asking for, Minister, is a further breakdown of those eight lines that represent \$767 million. If you could supply that, that would be great.

Hon. Michael Chan: Okay, so let me review it one more time so that I understand exactly what you're saying. You're talking about TO2015, their website—which you printed—about operations of Pan Am and then \$700 million of operation—and you want a breakdown on those numbers as much as possible?

Mr. Rod Jackson: Yes, please.

Hon. Michael Chan: We'll endeavour to give it to you. Okay? Thank you.

Mr. Rod Jackson: I appreciate that.

Hon. Michael Chan: All right. Deputy, have you written it down? Okay, great.

Mr. Rod Jackson: Yes, if you could share it with the committee, Minister. I'd appreciate that. Thank you.

Hon. Michael Chan: All right. Thank you.

Mr. Rod Jackson: Quickly, in the short time I have left—this might be something I would like to come back to at a later date. Minister, in all the documentation that I've seen here on the TO2015 website, one of the premier showpieces of the games is the Pan Am athletes' village. It looks like it's going to be great. We've seen the number \$1 billion floated around—it's going to cost a billion dollars. Can you confirm for me that that \$1-billion venue cost is or is not in the overall TO2015 budget?

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Hon. Michael Chan: Yes, the village is great. It's 60% complete. I pass by that location every day, and yes, it's going to be a great showpiece of the province.

I disagree with your number which you said many times—

Mr. Rod Jackson: The number comes straight from you—

Hon. Michael Chan: You've said it many times, including your website—

Mr. Rod Jackson: It's your number, Minister. You can disagree—

Hon. Michael Chan: You mentioned \$1 billion. That's not the correct number.

Mr. Rod Jackson: What is the correct number?

Hon. Michael Chan: Our budget for the village is over \$500 million, below \$600 million. I think it's about \$550 million. That's the budget to build the village.

By the way, the village is built in a place called West Don Lands. The West Don Lands—before this decision, it was grossly deteriorating, a place where people don't want to go. I would say it's rundown and needs to be revitalized. The decision to build this village there is really a fantastic idea because it will strengthen the area. After the games, this village will become affordable housing for people who are less fortunate. There will be units for people to live in there. There will be a YMCA community centre. There will also be a George Brown residence for the students. So this is a great infrastructure development by the province.

Mr. Rod Jackson: Can you confirm for me whether—

The Chair (Mr. Michael Prue): There's less than a minute, so make it very short.

Mr. Rod Jackson: Yes.

Can you confirm for me whether or not the budget for the—we can talk about the numbers in the budget. We're talking about hundreds of millions of dollars, so it's a lot of money by anybody's estimation. Does it appear on this TO2015 budget piece?

Hon. Michael Chan: The deputy just told me he wants to verify some numbers, so I'm going to answer that question—all right?

Go ahead.

Mr. Steven Davidson: Just very quickly, the responsibility for the village is with the government, not with TO2015. So the cost for construction of the village is not with the TO2015 budget; it's with the government's budget, the actual cost. So \$514 million is the fixed-rate contract with the builder, Dundee Kilmer. In addition to that, there is \$195 million of additional costs in terms of site preparation and administrative fees for Infrastructure Ontario.

Mr. Rod Jackson: Sorry, what was that number again?

The Chair (Mr. Michael Prue): I'm going to have to stop you there. At the end of the answer, think about what you want to ask next and whether you want to answer anything later.

I'm going to go to the third party: Mr. Miller.

Mr. Paul Miller: Thank you, Mr. Chairman.

Good morning. Two ministers for the price of one—how can you go wrong; right?

I want to start off by saying that, having a sports background, I certainly wish great success to the Pan Am Games in our province—and the facilities after will be utilized to the utmost, I hope. It's a wonderful opportunity for the province and the country to showcase our athletes and our culture and our people. That's a great thing.

It has a personal meaning for me because my aunt was involved in the first Pan Am Games in Hamilton, and she went on to train for the Berlin Olympics, the Hitler Olympics.

Hon. Michael Chan: That was 19—

Mr. Paul Miller: The 1930s—1936. So we go way back. We were there at the first one—some of us. I wasn't there. I came along 15 years later.

I guess I'll dive right into it. Minister, the Premier reacted with shock to news about the Pan Am Games yesterday. But in an interview, Ian Troop, the CEO of the Pan Am Games, insisted that the government knew and approved of the guidelines for expenses and salaries. Who's telling the truth?

Hon. Michael Chan: Okay. About that—

Mr. Paul Miller: Do you want me to repeat it?

Hon. Michael Chan: No, no; you don't have to. I just want to comment on your engagement with sport—thank you so much—and your wishes for Pan/Parapan success. I think the official opposition expressed that sort of thing. All parties and all of Ontario would like to see that. That's great.

I hope your aunt is still living.

Mr. Paul Miller: She's long gone.

Hon. Michael Chan: Oh. Sorry to hear that.

In terms of the approval of those expenses—that's your question?

Mr. Paul Miller: My question was: Did the government know and approve of the guidelines for expenses

and for salaries? Is Ian Troop wrong or is the Premier wrong?

Hon. Michael Chan: You talk about the guidelines, obviously, right, or approval of the guidelines.

Mr. Paul Miller: I'll repeat it for you, Minister. I don't know if you got it.

The Premier reacted with shock to the news about Pan Am Games expenses yesterday. But in an interview, Ian Troop, the CEO of the Pan Am Games, insisted that the government knew and approved of the guidelines for expenses and salaries. Who is telling the truth?

Hon. Michael Chan: Okay. We did not approve those expenses. The board approved those expenses. We did not approve the policy. The board approved the policy.

Mr. Paul Miller: So you had no oversight over the approval of the policies. Basically, did you approve the salaries for the Pan Am organizers?

Hon. Michael Chan: The board approved the Pan Am salaries—the board, which, I said before, consisted of five parties.

Mr. Paul Miller: That's not my question. My question, with all due respect, was: Did you approve the salaries for the Pan Am organizers?

Hon. Michael Chan: No. The board approved it.

Mr. Paul Miller: And who does the board answer to? You? Your ministry?

Hon. Michael Chan: —but then as far as the salaries are concerned, the board approved those salaries. The board consists of the municipal rep, the federal rep—

Mr. Paul Miller: I know that. I've heard that; I've heard this all.

Hon. Michael Chan: Okay, you heard that.

Mr. Paul Miller: You said that to this gentleman, about who was on the board. Does the board answer to the ministry? Does the board answer to you?

Hon. Michael Chan: The board will report to us.

Mr. Paul Miller: Thank you.

Hon. Michael Chan: But the board approved those salaries.

Mr. Paul Miller: Did you approve the expense guidelines? If the board reported to you, did you approve the expense guidelines?

Hon. Michael Chan: The expense guidelines: You're talking about the policy in place?

Mr. Paul Miller: No, I'm talking about the expense guidelines.

Hon. Michael Chan: The policies related to expenses?

Mr. Paul Miller: Right. Did you approve it?

Hon. Michael Chan: Well, I saw that. Basically, you can see the guidelines; you can relate it to the guidelines. The policy was implemented—correct me if I'm wrong, Deputy—on April 12, 2012.

Mr. Paul Miller: Maybe you can answer. Who approved it?

Hon. Michael Chan: The board implemented the policy and gave guidance and direction to the operation.

Mr. Paul Miller: I don't think I'm still getting my answer.

Hon. Michael Chan: The board approved those policies.

Mr. Paul Miller: Did you approve the expense guidelines? The board answers to you. That's what you told me. If the board answers to you, then obviously you rubber-stamped the guidelines of expenses. You had to have.

Hon. Michael Chan: We are wasting time here, Paul, okay?

Mr. Paul Miller: We sure are.

Hon. Michael Chan: I tell you what exactly it is, and then you kind of try to—you're kind of shifting it.

The operation reports to the board in terms of that policy related to meals, hospitality, travel expenses. The board implements that policy. They are the ones responsible for those expenses.

Mr. Paul Miller: And who do they report to? Who is responsible for their decisions?

Interjection.

Hon. Michael Chan: He's talking about the board, which is the five parties, all right? The operation reports to the board. They keep telling—the board. Remember this: This is not a government agency, by the way. It's not a government agency, and this is—

Mr. Paul Miller: They're using taxpayers' money, Minister. Who are they—a private consortium? Are they using taxpayers' dollars? I just simply asked you—it doesn't matter who's on the board. Obviously, they approved the expenses. They would report to you, as one of the overseers, and you must have said, "Okay." You must have approved it.

Hon. Michael Chan: Look, you're wrong on that.

Mr. Paul Miller: I'm wrong. Okay.

Hon. Michael Chan: You're wrong. You are totally wrong.

Mr. Paul Miller: Okay, then—

Hon. Michael Chan: The operation reports to the board. The board sets those policies. The board approved those expenses. It's very simple.

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Mr. Paul Miller: You're not answering the question, Minister.

Hon. Michael Chan: I am.

Mr. Paul Miller: I asked you who the board gets their okay from. The board has to answer to someone, too, whether it's the minister in Ottawa or you. Someone has to okay the board's recommendations for expenses, so it had to go to the top to get the okay to use taxpayers' money for those expenses by the board.

Anyone can sit on the board, and they can be appointed to the board, like Mr. Troop. Anybody can. But he still is using taxpayers' dollars and has to report to the ministry and the government, who is overseeing the expenses. You're telling me they don't. They made the decision; you had nothing to do with it. Well, I'm confused. If you didn't approve the original expense guidelines and salaries, who did, which I just asked you.

Let's face it, Minister. We had the Ornge debacle. We had the eHealth debacle. We had the gas plant debacle.

You'd think the government, by now, would have really dug in to make sure there was no funny business or no wrong expenses.

Mr. Troop's saying that he followed the guidelines—he could charge for that latte; he could charge for the parking—and you're telling me that you were shocked that this happened. So, obviously, you weren't taking an active role in what they were doing, because they would have to ask you or the ministry for permission to have that expense account to be able to do that. So if Mr. Troop's within his right to charge 91 cents for a parking ticket or for whatever, you must have okayed it, because you said they didn't do anything wrong. "It was morally wrong." Well, that doesn't really help if it's morally wrong.

What it should have been is they should either pay it back and answer for—what you said was that they skirted around the guidelines; they abused it. Do you know how many millions of dollars have been abused at eHealth? Look at that guy at Ornge. Cripes, he had a boat.

Hon. Michael Chan: Are you making a House statement or—

Mr. Paul Miller: I'm asking you a question. You must have known.

Hon. Michael Chan: I answered your questions—

Mr. Paul Miller: I'm allowed to make a statement in my half-hour. But you tell me that you are not responsible—and you are responsible—for overseeing taxpayers' money that was involved in the Pan Am/Parapan games. You are the final stop on the list all the way to the top, and you're telling me you didn't do your job. You didn't do due diligence. You weren't in control. You weren't overseeing it. You let this board, who are private sector people, make the decisions on how they're going to do their expenses. It's outrageous.

Hon. Michael Chan: You know, knowing half of the facts and making up the other half, trying to create a story, is pathetic.

Mr. Paul Miller: I'm not making up anything. I'm asking you: Were you in charge? Did you make the decision? Don't accuse me of making something up. I simply asked you a question, but you're not answering me. If your deputy minister's going to answer, answer.

Hon. Michael Chan: I answered your question. Okay, let me answer one more time, and then allow my deputy to say—

Mr. Paul Miller: I'd like to hear from the deputy, because I'm not getting an answer from you.

Hon. Michael Chan: Paul, you talked about those expenses by the operation. Would there be a guideline, a policy, in there? The answer is yes. Who implemented those policies or guidelines? The board implemented them in April—

Mr. Paul Miller: With who's permission?

Hon. Michael Chan: The board, with the permission of the five parties, which is the board members—they implemented those guidelines.

Mr. Paul Miller: But who do they answer to?

Hon. Michael Chan: Once they implement the guidelines, then the guidelines are being followed by the operation. It's as simple as that.

Mr. Paul Miller: I'm not getting an answer. You're not answering.

Hon. Michael Chan: Okay. Deputy, can you answer that?

Mr. Steven Davidson: TO2015, the games' organizing committee, is an independent, non-profit organization, as the minister has noted, and you understand that it's comprised of a board of 12, reflecting the multiple interests. In terms of reporting relationships, as the minister has said, it's not an agency. It is accountable to the interests represented on the board. So the—

Mr. Paul Miller: So they're accountable to themselves and not to the public and the ministry, you're saying?

Mr. Steven Davidson: They're an independent transfer payment recipient of the government—

Mr. Paul Miller: So they can do what they want.

Mr. Steven Davidson: Well, subject to their accountability back to the stakeholders. So the federal—

Mr. Paul Miller: And who are the stakeholders? The people of Ontario?

Mr. Steven Davidson: So the federal government appoints three—

Mr. Paul Miller: And the taxpayers are stakeholders, would you not say?

Mr. Steven Davidson: Absolutely. Absolutely, I would agree.

Mr. Paul Miller: Oh, okay. That's interesting.

Mr. Steven Davidson: So their status as an independent transfer payment recipient is somewhat different than an agency in terms of their accountability with government.

Mr. Paul Miller: With all due respect, Deputy Minister, this province oversees agencies, tribunals. Different sectors of our population sit on those tribunals and agencies. They report to the ministry. Their expenditures go to the ministry. So don't tell me that these guys were an independent group of people who can make decisions and set up their own expense accounts without permission. If they did, there's a problem there, a big problem, because this is taxpayers' money.

Mr. Steven Davidson: So the ministry does have an accountability relationship—

Mr. Paul Miller: Oh, they do?

Mr. Steven Davidson: —with 19 provincial agencies, but this is not one of them. This is a different animal. It's kind of like—

Mr. Paul Miller: It's quite a unique animal, I would say.

Mr. Steven Davidson: If I could just explain how the rules apply to them?

Mr. Paul Miller: Yes, I'd like to hear that.

Mr. Steven Davidson: So as a transfer payment recipient, any transfer payment recipient that receives more than \$10 million in a single fiscal year from the provincial government comes under the Broader Public

Sector Accountability Act and associated directives the following fiscal year. So, in the case of TO2015, it first received more than \$10 million in a provincial transfer in 2011, which means that April 1, 2012, it came under the broader public sector expenses directive. So, as the minister has noted, effective that date, they were required to have a policy in place to govern expenses within the organization.

Mr. Paul Miller: So what did they do before that?

Mr. Steven Davidson: Before that—

Mr. Paul Miller: Before they were told to report. They were creating policies as they went along?

Mr. Steven Davidson: They would have governed themselves as any—

Mr. Paul Miller: Oh, they were governing themselves?

Mr. Steven Davidson: —non-profit entity does.

Mr. Paul Miller: That's interesting. So, a year later, they would report under that particular legislation to the government. But in that year, this board made their own policies, their own expenditures and set it up, and then they reported to you the following fiscal year? Is that what you're telling me?

Mr. Steven Davidson: What I'm saying is that any non-profit entity that receives a transfer from the government in excess of \$10 million in a single fiscal year comes under the purview of the broader public sector directives—

Mr. Paul Miller: A year later.

Mr. Steven Davidson: —the following year.

Mr. Paul Miller: A year later. So what you're telling me is that during the previous year, before they report the next year under the broader accountability, they're in control and they don't answer to anyone during that year, the previous year, and there's no oversight or accountability. They do what they want because they are a separate entity, you told me, but it's still taxpayers' money. So no one is seeing what they're doing to set up the policies or set up the expenses the year before. We wait for a year to find out whether they did or didn't do something wrong, so they could have spent the money. Would that be a fair statement?

Mr. Steven Davidson: Prior to coming under the purview of the broader public sector accountability directives, they would be in the same circumstance as any other non-profit organization receiving government funds, but underneath the threshold of \$10 million.

Mr. Paul Miller: So, if it's over \$10 million, then it goes to a different situation; under \$10 million, they're in control of the expenditures.

Mr. Steven Davidson: Right.

Mr. Paul Miller: Wow. That's a lot of coin. Interesting.

Hon. Michael Chan: Let me add to that. Look, this is a huge undertaking. It's a complex games. And also, the TO2015 board appoints representatives from all levels of government, as well as from the sports community.

So, please—I know where you're coming from. We all want these games to be successful. So far, it's very suc-

cessful in terms of those infrastructures, capital projects, so the board has functioned overall—fantastic in the way of their accomplishments so far to date. Look at the village. Look at the waterway.

Mr. Paul Miller: Minister, I wouldn't call it fantastic. There are some problems there.

Hon. Michael Chan: So, please, understand the responsibility of a government appointee in the board, and have some respect for them too. So far, overall, look at all the accomplishments. It's there. We are heading into a good games, and you want a good games, and so does Mr. Jackson there.

So look, right now, yes, there's an issue here. We're going to strengthen the policy. We're going to pull them in so that those policies eventually strengthened will be followed by 2015.

Mr. Paul Miller: With all due respect, Minister, you would think, after all the fiascos that we've seen in the last few years, that the government would have been treading softly and would have done all due diligence before and certainly kept an eye on the board and the members. No one is questioning the integrity of the board members, but if they were following the guidelines which Mr. Troop said fell within their jurisdiction, then there's a problem with the people who set it up and there's a problem with the ministry that's overseeing the expenses, and they should not have been entered in the first place. If he charged 91 cents for a parking ticket, a dollar for a latte, and all these things, and said it's within his right to do that, who's setting up these contracts?

This man is making double what the Premier makes. Who set up the contract to allow him to nickel and dime everybody—and the rest of them—on some of the charges where the Premier was shocked that these things were happening? Obviously, it fell within their privy. So I'm confused; who's watching the shop? Who's guarding the henhouse? Is the fox in the henhouse? I'm not sure. It's really confusing here, what's going on. No one wants to take responsibility.

1020

Hon. Michael Chan: Deputy, I know that it's a long process in terms of strengthening the policy until this year. Why don't you, again, one more time, explain to Paul—

Mr. Paul Miller: Yes, explain to me. I'm having difficulty.

Hon. Michael Chan: —what happened in terms of that strengthening of rules and implementation and also the reporting, one more time.

Mr. Paul Miller: Please. Please do.

Mr. Steven Davidson: The oversight responsibility of the secretariat is really to ensure that TO2015 is adhering to the directives as they should. As I mentioned—

Mr. Paul Miller: So they were. They were, according to Mr. Troop.

Mr. Steven Davidson: On April 1, they were required to have a policy. What the secretariat did do was after the first three months of implementation of that policy, the secretariat, as part of its audit plan, brought in Ontario

internal audit services to do an audit of the organizing committee's compliance during that first three months. They're a new organization, new to the rules, so this was intended to be an instructive exercise.

Mr. Paul Miller: Deputy Minister, with all due respect, a lot of those people have sat on many boards. They may be new to this particular effort, but they've been around a long time, and they know what's good and what's morally right to charge and what isn't. So if they weren't doing the proper thing, you can't blame it on—like it's an apprenticeship or they weren't aware of what they could do and couldn't do. They fell within the guidelines. Someone allowed them to do it, and someone's having problems taking responsibility for allowing those guidelines to be there.

Those guidelines shouldn't have been there in the first place. There should have been oversight and accountability on those guidelines, and there wasn't. You allowed an independent body—as you pointed out to me, a separate entity—to set up their own little game, and they did. And they must have had approval from the ministry to do it.

Mr. Steven Davidson: I would take issue with the approval. It is the board's accountability to approve the policy, and it was the ministry's or the secretariat's role to ensure that the policy was in place. So as I said—

Mr. Paul Miller: But, Minister, would they have not been aware of the guidelines in the policy when they said it was in place? Even if they set it up, wouldn't you have read it to say, "Well, I don't think you should be charging for parking or lattes or things"? Wouldn't you have been aware of that or studied that and said, "This will not be part of the guidelines or the policy. This is not allowed"? You would have nipped it in the bud, but you didn't.

Mr. Steven Davidson: In fact, that is what happened with respect to the policy, so—

Mr. Paul Miller: We had to have an audit to do it.

Mr. Steven Davidson: An audit within the first three months of implementation. It did find that there were some gaps in practice and compliance. Those were conveyed back to TO2015's senior management, and the result of that was a revision to the policy, and a new policy was introduced in May 2013.

I do understand that the scope, the time frame for the expense records, which are under discussion right now, went up to April 2013, so they would have been under that first version of the policy—

Mr. Paul Miller: Oh, the first version. We have a new version.

Mr. Steven Davidson: So subsequent to the audit—

Mr. Paul Miller: Now after the audit, we have a new version.

Mr. Steven Davidson: —there were revisions made in May 2013.

Mr. Paul Miller: It's like baseball: three strikes and you're out kind of thing

Mr. Steven Davidson: A revised policy was implemented in the organization, and then, as a follow-up to the audit undertaken by the secretariat, we have in our

audit plan for later in this fiscal year a one-year-out follow-up to ensure compliance.

Mr. Paul Miller: I'm sure we'll find something else.

Yesterday, the Premier told the press she planned to speak to you, Minister, about getting some of these expenses repaid. Has that happened, and if so, what have you done about it?

Hon. Michael Chan: The Premier said that if those expenses fall outside the policy—

Mr. Paul Miller: Outside the box?

Hon. Michael Chan: Outside the policy that was in place at that time, we will ask for the money back. So at the moment, we are looking at it, and if we find any items that fall outside the policy in place, we will ask for the money back.

Mr. Paul Miller: Thank you.

The Chair (Mr. Michael Prue): And I'm going to stop you right there because the bells have now rung. We will recess until 3:45 p.m., or approximately 3:45. When we return, Mr. Miller, you have about nine minutes left.

Meeting recessed until this afternoon, approximately 3:45.

The committee recessed from 1025 to 1559.

The Chair (Mr. Michael Prue): We will call the meeting to order. The time has now come to resume the hearing. When we left just before the morning session, it was with Mr. Miller. Mr. Miller, it's back to you. You have nine minutes left.

Mr. Paul Miller: Thank you, Mr. Chair. Good afternoon. Session two here.

To the minister: The committee has been racking up questionable expenses since 2010. How come it took the minister and the ministry so long to take action?

Hon. Michael Chan: When you say "committee," would that be—

Mr. Paul Miller: The committee—

Hon. Michael Chan: Yes, TO2015. It's not the board, right? The operation committee, yes.

Those items were just brought to my attention, as I said this morning, three weeks ago. Before, I had no knowledge of any one item of those expenses. It wasn't brought to my attention; only three weeks ago.

I understand there was an FOI for those expenses.

Mr. Paul Miller: I was just going to ask you that. When—

Hon. Michael Chan: So to your answer your question—

Mr. Paul Miller: When did you learn about the freedom of information?

Hon. Michael Chan: Please repeat that. Repeat your question, please.

Mr. Paul Miller: When did the minister learn of the freedom-of-information request for the details of expenses and compensation?

Hon. Michael Chan: No. You were talking about the expenses. Those expense items were brought to my attention three weeks ago. Okay? That's the time I knew about it. In terms of the FOI, I had nothing to do with it, because I don't deal with FOI.

Mr. Paul Miller: So there was no direction given before that to even look into it?

Hon. Michael Chan: No; definitely no.

Mr. Paul Miller: Would it be accurate to say that the minister made the request for new expense guidelines after it became clear that the story was about to break? If not, what triggered his concern after ignoring these expenses for all those years?

Hon. Michael Chan: Okay. Well, if I understand your question right, those expenses came to my attention, and I said some items I had serious concerns about. I wanted that to be corrected, so I engaged the board, the board engaged the operation, and that's the sequence.

Mr. Paul Miller: What triggered that event that brought the concerns after ignoring the problems for years? What triggered it? Was it the media? Was it the freedom-of-information request? What triggered it?

Hon. Michael Chan: Again, I had no knowledge of those items as you described, like years or a long time before.

Mr. Paul Miller: It was 2010.

Hon. Michael Chan: It only came to my attention three weeks ago, and then I was contacted by—well, you know, in the three weeks, maybe a few, and within that a request by the media, when they talked to me. So then—

Mr. Paul Miller: So, Minister, what I'm saying is, while this was going on, the Ornge debacle was going on, there was some eHealth—some of that, near the end of that—was going on, and I would assume the government would think, with all those problems they were having, that they might have looked into this a little more carefully, other than waiting for a freedom of information to come forward or for the media to get a hold of it, because this is probably the biggest thing that's going to happen to Ontario in 50 years. So what I'm saying to you is why—johnny-come-lately—why, all of a sudden, has this become a priority for you to look into when from 2010 they were putting in these expenses? What I'm saying is, you had a blind eye to what was going on, for whatever reason, and you haven't given me an answer what triggered you to do it now. Was it because it was brought up from freedom of information, because the media got a hold of it or you're taking pressure about it? But you finally are supposedly going to act on this. So why didn't you do it before?

Hon. Michael Chan: Well, I've got to back you up a little bit here. I think we talked about that this morning, and if I'm repeating it, I would ask for your patience.

Again, TO2015, the operation to run the routine affairs, to stage, to develop the Pan Am Games—and I want to stress this fact, okay? This is a non-profit organization and is not a government agency, so in terms of the relationship, it's not exactly perhaps the one that you're more familiar with, government running a government agency.

So this board, which is created with five partners—the fed, the province, Toronto—

Mr. Paul Miller: Minister, you've said that three times today. I don't want to talk about that again, because

you've said it three times. I know who's on the board. I've asked you a question: What triggered you to move now, when you didn't move in 2010? That's what I'm saying. With all due respect, you've told me about the members of the board three times today. I know all about that now. I want to move on to get to the heart of the issue. You're avoiding it, and I want to know why it happened when it happened.

Here's a request: I'd like you to table directions that the government gave to the 2015 Pan Am Games regarding how the organization should tighten their expense guidelines. I would think that something this big for the province of Ontario would have been audited. Did the minister do an audit with the ministry on these inappropriate expenses, like the tea and the laundry that these six-figure fellas were doing? Have there been any audits from your ministry? Have you encouraged a forensic audit before all this was going on? Because if there was the threat of an audit, I think they might have thought twice about charging 97 cents for a parking spot or things like that. Why didn't the ministry, after all the things you've been through—Ornge and eHealth and all the other things—do a forensic audit on this expenditure?

Now, I find out today that there are two budgets, which we didn't know about before. That came up today, which was very interesting. So your forecast of the cost of the games has now probably doubled. You say that you're on target, but you didn't mention the other \$765 million for the village. This is now an additional taxpayer cost. We're looking at a lot more money now. Under a forensic audit, that would have been brought forward.

You and Minister Sousa are telling the public that everything is on track and everything is great, and now we find out that there's another budget. How many budgets are there?

Hon. Michael Chan: Paul, you mentioned a lot of items and actually requested a lot of things here. So allow me to try as much as possible here to put it down so that we respond to you.

I think you accused me of avoiding the expenses, so I have to disagree with you.

You were also requesting the production of these directives on the policy. You talked about the guidelines. Also, you were talking about the audit. Also, you talked about the two budgets that you discovered today and about the village, which is \$765 million—

Interjection.

Hon. Michael Chan: It's \$709 million—sorry for that. I'll try—I can do that, as much as is possible. Also, you were kind of skeptical of Minister Sousa's remark that Pan Am is on budget and on time.

As I said this morning to Rod over there, once those expenses came to my attention, I engaged the board by phoning them. I told them what to do, and it was reported widely. If you still think I haven't done that, I cannot help it. But I have ordered the board to rectify the situation and given them a very, very clear direction for doing it.

Internal audit: Yes, there was an internal audit. The implementation of it was in April 2012. After three

months, the internal audit requested, for those expense items and those before, was probably done in April, maybe into the summer, in July. I think the report came back in the fall and then we engaged them. By May 2013, there were some items—I think the P/PAG asked them to strengthen the situation.

Two budgets: There seems to be worry and much concern about the village, that this is a new thing, new money into the budget. You're wrong. I can prove that you're wrong in three documents. Number one—

The Chair (Mr. Michael Prue): Okay. I'm going to have to stop you. You're going to have to tell him how he's wrong later.

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Hon. Michael Chan: He's lucky, then. He's really lucky on this one.

The Chair (Mr. Michael Prue): And I'm sure he might tell you the same thing back.

It now goes to the minister. Minister Sergio, you were on the floor before, and if you wish to finish your statement—

Hon. Mario Sergio: I'm at the will of the committee.

The Chair (Mr. Michael Prue): —but in any event, there's a half-hour here available to both of you.

Hon. Mario Sergio: Great, great. Shall I start at the beginning now, since we have half an hour?

The Chair (Mr. Michael Prue): You've got half an hour. Use it as you wish.

Hon. Mario Sergio: I appreciate that. I'll just start—

The Chair (Mr. Michael Prue): Up to a half-hour. You don't have to use it all.

Hon. Mario Sergio: Yes, I understand. Thank you. I'll just start where I left off this morning.

Another part of the action plan—we were talking about the action plan for Ontario seniors this morning, Chair—includes making it easier for seniors and their families to find and gain access to programs and services that the provincial and federal governments and service providers offer them.

We want to make sure everyone's future is friendly, safe and supportive. A Guide to Programs and Services for Seniors in Ontario is another resource to help Ontarians achieve that future.

We have updated the guide to provide practical guidance on issues that affect our quality of life as we age: active living, caregiving, finances, health and wellness, housing, long-term-care homes, safety and security, and transportation.

The guide is available in English and French and in 14 other languages—it may be 16 languages, Chair.

Since announcing the action plan in January, we have also made progress on a number of other fronts. In partnership with the Alzheimer Society of Ontario and police, we launched Finding Your Way, a new multi-cultural safety awareness program for individuals with dementia, their caregivers and communities.

We are proud that Ontario has become the first province to make sprinklers mandatory in licensed retirement homes and care and treatment occupancies for our most vulnerable citizens.

We introduced new measures to help seniors make the transition from hospital to home sooner, while also providing higher levels of care to long-term-care residents with complex needs.

The action plan builds on the solid foundation of what Ontario has already achieved for seniors. For example, the government passed the Retirement Homes Act, 2010, to better protect Ontario seniors and regulate the care these homes provide. This is the first time in Ontario's history that the government has regulated such care.

The Retirement Homes Act respects their need for independence and ability to make informed decisions. The legislation also gives more control to seniors who choose to receive care services in retirement homes. It also provides more transparency about service providers.

As a result, the over 50,000 Ontario seniors residing in retirement homes have access to clear information to help them make educated choices about their accommodation and care. This helps create an environment where retirement homes are places where residents live with dignity, respect, privacy and autonomy and in security, safety and comfort.

The act established the Retirement Homes Regulatory Authority, an arm's-length organization that educates, licenses and inspects retirement homes to make sure they meet prescribed standards. Now, all retirement homes must submit a licence application to the Retirement Homes Regulatory Authority to operate in Ontario.

As we implemented the act, we also considered the diversity of Ontario's seniors. The act includes a bill of rights which states that every resident has the right to have his or her lifestyle and choices respected and to freely pursue his or her social, cultural, religious, spiritual and other interests.

As a direct result of the act, we have also put into effect a number of fire safety and prevention measures, including: training all staff in retirement homes about fire prevention and safety; developing an emergency plan and evacuation procedures; posting information that explains the measures to take in case of fire; and providing information to residents about nighttime staffing levels and whether the home has sprinklers in each resident's room.

The Retirement Homes Regulatory Authority has established a public registry of retirement homes that includes a list of applicants for licences and information on whether the homes have sprinklers. Speaking of sprinklers, a few months ago I joined Minister Meilleur in announcing another new initiative of our government to protect seniors. Under the new regulations, Ontario became the first province in Canada to require the operators of older facilities—those retirement homes and long-term-care homes built prior to 1997—to install sprinklers in their buildings.

Mr. Paul Miller: Thanks, Paul.

Hon. Mario Sergio: Thanks, Paul. I remember; I was there, Paul.

Back in June 2002, federal, provincial and territorial ministers responsible for seniors identified elder abuse as a priority area for their ministries to work on.

I think I did mention that, quite a few times in the House, the member has contributed quite a bit to the legislation going through, so I appreciate that.

In Ontario, we developed an elder abuse strategy—the first of its kind in Canada. Since 2003, Ontario has invested over \$8 million in elder abuse prevention, and this includes annual operating funding of \$900,000 to the Ontario Network for the Prevention of Elder Abuse to work with communities to better coordinate resources, help front-line staff recognize and respond to elder abuse, and increase public awareness about where to find help.

Since we have committed the government to combat elder abuse, we continue to infuse other policy initiatives with the same dedication against abuse. For example, by passing the Retirement Homes Act in 2010, we also acted to protect Ontario seniors from abuse in retirement homes. Several protections against abuse also came into force under the act, including: having a policy to promote zero tolerance of abuse and neglect and ensure compliance with the policy; meeting the home's duty to protect residents from abuse and neglect; complying with the Residents' Bill of Rights, which must be posted in every licensed retirement home; and conducting mandatory annual staff training on the zero-tolerance-of-abuse policy, fire prevention and safety, and whistle-blowing protection. With the exception of residents, anyone who suspects harm or risk of harm to a resident from abuse, neglect, improper care, unlawful conduct or misuse of a resident's money, must now call the Retirement Homes Regulatory Authority, which will inspect these reports.

Earlier this year, I was pleased to join our partners—the Alzheimer Society of Ontario, police forces, community representatives and other government ministries—in an integrated response to a growing challenge: wandering prevention among individuals with dementia, many of whom are seniors. Finding Your Way is a new multicultural safety awareness program to help people with dementia who may wander and become lost, as well as to assist their caregivers and communities.

This initiative, the first of its kind in Canada, is another important part of our recently announced Ontario Action Plan for Seniors. Its goal is to help us all recognize and reduce the risks of people with dementia going missing. With the increase in the number of people with dementia, and their preference to live in the community as long as possible, we recognize the importance of having this program in place. Seniors, caregivers, the general public—every one of us has an obligation to do our part to ensure the safety and security of people with dementia who wander.

The time for Finding Your Way is now. The number of people with dementia is growing as never before, and will increase 40% in less than a decade, from 180,000 to more than a quarter of a million people. Finding Your Way will improve safety as we educate, involve and empower seniors, their families, caregivers and people throughout the province. Materials are available in English, French, Chinese and Punjabi, and will soon be available in Italian, Portuguese and Spanish. The pro-

gram will help us all work together—the entire broader community—to become aware of the signs when encountering persons with dementia and other related illnesses who are lost or missing. With the Alzheimer Society of Ontario and the Ontario Police College, we are developing resources for individuals and families to prevent loved ones from going missing, public education to raise awareness, outreach to communities with an emphasis on diversity, and training for front-line police officers to recognize and respond to cases involving seniors who have wandered.

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Information about all of these initiatives and much more information that seniors can use is easily available to Ontarians online at ontario.ca/seniors or by calling our toll-free dedicated seniors' infoline phone number at 1-888-910-1999.

Independence, activity, good health and the ability to make choices to live the way we want: That's what we want for ourselves and our loved ones as we grow older, and that's what we're working hard to provide for seniors in Ontario. Together with seniors, their families and caregivers, and our community partners, we will make Ontario the best place in North America to grow older.

With this, Chair, I finish my presentation.

The Chair (Mr. Michael Prue): Thank you. You do have the entire period of time. Would Minister Chan like to—

Hon. Michael Chan: Yes, thank you.

The Chair (Mr. Michael Prue): Before we do that, could I ask the members of the committee: I anticipate—I may be wrong—that most of the questions, if not all of them, will go to Minister Chan and not so many to Minister Sergio. Are there members who have questions of Mr. Sergio? If there aren't any, he and his staff—

Interjection.

The Chair (Mr. Michael Prue): You have some? Then, fine. You'll have to stay for the duration.

Mr. Rob Leone: Hey, just to let you know it's not us.

Chair, if I may, just because you've opened up that possibility, does that mean we're going in 20-minute rotations?

The Chair (Mr. Michael Prue): As soon as they're finished their half-hour, the 20-minute rotation goes to the Conservatives.

Mr. Rob Leone: So whether or not we want to ask Minister Sergio questions, it's still 20 minutes?

The Chair (Mr. Michael Prue): It's 20 minutes no matter who you ask the questions of.

Mr. Rob Leone: Got it. Just to make sure. Thank you.

The Chair (Mr. Michael Prue): You ask them all to one minister, to both—whatever you wish.

Interjections.

The Chair (Mr. Michael Prue): Wait. No, no; you don't have a question. Your time has elapsed; you're done. His time to answer the question was done. But he now has the floor for whatever he wants to say for the next—until 4:40, so it's about 15 minutes.

Hon. Michael Chan: That's all?

The Chair (Mr. Michael Prue): You have 15 minutes left of this time.

Hon. Michael Chan: Chair, I think you used up my time.

The Chair (Mr. Michael Prue): Well, it's your time.

Hon. Michael Chan: Chair, members of the committee, ladies and gentlemen, thank you so very much for the opportunity to speak to you again about the work of my ministry.

The Ministry of Tourism, Culture and Sport is at the forefront of delivering our government's plan to keep Ontario prosperous. So I want to focus again on how the activities of my ministry help businesses succeed, provide jobs and opportunities for Ontarians, and grow the economy in Ontario.

In particular, I want to talk again about a high-profile project that supports all three sectors of my portfolio, the 2015 Pan/Parapan American Games. As the provincial minister responsible for the games, I have to say that what makes me most excited about this portfolio is how the combined strength of our work in tourism, culture and sport provides the best possible foundation for success.

I am not alone in my excitement to host these games, as the members of the committee agreed with me earlier today. These games are an important opportunity, and our government shares the goal of the successful delivery of the games. That includes co-operation and collaboration between multiple players and partners, be they:

- our federal counterparts;
- our multiple municipal partners across the Golden Horseshoe;
- TO2015;
- the PASO family of nations;
- my ministry, the Pan/Parapan American Games Secretariat;
- athletes;
- officials;
- visitors and volunteers.

Together, we all have a part to play in delivering a great games for Ontario and Canada.

At many Pan/Parapan American events, I have been proud to stand alongside these partners, including:

- my federal counterpart, the Honourable Bal Gosal, Minister of Sport;
- city of Toronto Mayor Mr. Rob Ford;
- mayors and city councillors from other host venue jurisdictions;
- heads of sport such as Marcel Aubut, president of the Canadian Olympic Committee, and Gaetan Tardif, president of the Canadian Paralympic Committee; and
- Canadian and Ontarian athletes who may be participating in the upcoming games.

First and foremost, this will be a “people’s games” in Ontario that will be affordable, accessible and an exceptional experience for the people of this province and for the many, many visitors, spectators and fans who we will welcome.

Our government firmly believes that Ontarians have the ability to perform, from our athletes to our artists; from the stadium to the stage; from the playground to the podium. That is why we sought the bid to host the 2015 Pan and Parapan American Games: to use our skills and our strength and showcase them to the world—as our athletes will compete on our own turf—attracting thousands of visitors from within our borders and beyond, while firmly placing Ontario on the map as a premier international travel destination for world-class sporting events, internationally acclaimed cultural experiences and unique tourism offerings.

This is an incredible undertaking that offers incredible opportunities as we prepare to host 41 participating nations, 36 Pan Am sports, 15 Parapan Am sports and 34 competition and training venues. We are preparing to stage the largest international games ever held on Canadian soil.

It was almost four years ago that Ontario successfully won the bid to host the 2015 games. Since, we have joined together in a team effort to drive forward and keep the pace. With under two years left to go, shovels are in the ground, and we have been pursuing an aggressive timeline to ensure the games’ success.

Hosting the games will ignite the power of sport in communities across our province and inspire all Ontarians by highlighting the value of sport and the health benefits of active living.

While we’re all looking forward to seeing our sport sector shine in the international spotlight in 2015 when we welcome the world to Ontario during the games, the 2015 games will help Ontario improve its sport infrastructure for athletes of all abilities—facilities like the Ajax Pan Am Ballpark; the Caledon Pan Am Equestrian Centre; the Etobicoke Olympium; the Hamilton Pan Am Soccer Stadium; the Markham Pan Am and Parapan Am Centre; the Milton Pan Am/Parapan Am Velodrome; the Pan Am/Parapan Am Athletics Stadium at York University; the Pan Am Field Hockey Centre at the University of Toronto; the Pan Am/Parapan Am Aquatics Centre and Field House; the Canadian Sport Institute Ontario at the University of Toronto Scarborough campus; and the Welland Pan Am Flatwater Centre. This will mean:

- three new Olympic-sized pools;
- Milton will have the first-of-its-kind velodrome in Canada;
- Scarborough’s Pan Am Aquatics Centre and Field House will serve over 100,000 community members and be the home of the Canadian Sport Institute Ontario; and
- Toronto’s Pan Am/Parapan Am Athletics Centre will serve York University students, surrounding communities, and will be a venue for future international track and field events and varsity team sports.

All of these venues are on track, on time and on or under budget.

The vice-president of the Pan American Sports Organization said, during a technical tour of the facilities this April, “They’re ahead of Guadalajara ... they’re ahead of Rio 2007.... Construction is going at a very

robust pace here and it's on schedule and this makes us feel that many of the facilities will be finished a year before the games ... I'd say they've been better than past organizing committees and that has me feeling very positive after this week."

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Mario Vázquez Raña, president of the Pan American Sports Organization, added, "These are the 11th Pan Am Games that I've organized. I have faith, confidence and assurance that Toronto 2015 Games will be the best in history."

Our government's goal is to ensure that all Ontarians have an active role in the games, as well as an opportunity to benefit from them. This is why we expanded the venue footprint of the games to encompass the entire Golden Horseshoe area and have identified site locations that will maximize the number of Ontarians to access their services and facilities.

This approach has been pragmatic and practical, and transcends partisan lines as many of the new venues are located in ridings of all stripes, like the Milton Velodrome, where MPP Chudleigh attended the groundbreaking; the Hamilton Pan Am Soccer Stadium; the Welland Pan Am Flatwater Centre; and the Caledon Equestrian Park, named an official Pan Am Games venue, an announcement for which MPP Sylvia Jones attended and was acknowledged.

In support of our approach, Prime Minister Stephen Harper noted: "Canadians love sports and we are known for our hospitality, an unbeatable combination for successful games.

"Sports fans in Toronto and the Golden Horseshoe area are known for their passion and commitment. I am confident they will give a warm welcome to athletes from across the Americas."

Our government is ensuring Ontario's athletes have the opportunity to train and compete at home in new and improved facilities that TO2015 will be developing—and give Ontarians opportunities to access much-needed sporting facilities that will encourage healthy and active lifestyles for generations to come.

In recognition of the importance of this legacy, even our federal counterparts have committed to a legacy fund in partnership with the province to ensure our key venues continue to operate and serve the people of this province in the years that follow the games.

We are proactively seeking ways to maximize the benefits of hosting high-profile international games for Ontarians. Ontario will be host to many national and international amateur sporting events prior to the games. Our venues will be used for test events in the lead-up to the games. They will showcase what an exceptional province Ontario is for hosting sporting events, where athletes come together to compete and perform. Post-games, these facilities will be used for years to come, and Ontario will benefit from the thousands of visitors that they will attract.

Strengthening the positive impact of the games, the government of Ontario committed, in 2009, to the

revitalization of the West Don Lands. As part of this development, the athletes' village will transform the site into a vibrant mixed-use community post-games. This was a commitment made by the then Minister of Energy and Infrastructure, George Smitherman, and I'd like to quote from his announcement on April 26, 2009:

"The West Don Lands is poised to become one of the most exciting new neighbourhoods in Toronto. As part of the Ontario government's commitment to revitalizing Toronto's waterfront, we are creating an economically, socially and environmentally sustainable waterfront community there, and the Pan American Village is certainly part of that plan."

Further, David Peterson, the Chair of the Toronto 2015 Pan American Games Bid also said: "This new development will be an exceptional fit for the requirements of the games and also a wonderful legacy for the city of Toronto. Development in the West Don Lands is already under way as part of the great intergovernmental partnership. It only makes sense to accelerate these plans by using the site for the Pan American Village."

There should be no confusion about the government's commitment to the revitalization of the athletes' village as a longer legacy for the revitalization of the West Don Lands. There should also be no confusion that this is a separate investment by the government of Ontario that contributes greatly to the city of Toronto and the Pan/Parapan American Games.

In the 2013 budget, this commitment was reaffirmed. Let me quote from the budget:

"The province is investing \$500 million towards the Toronto 2015 Pan/Parapan American Games, which will showcase Ontario; promote healthy, active living; and leave a legacy of new and upgraded sports and recreation facilities. In addition, the province is investing \$514 million towards the athletes' village project, which will advance the implementation of Waterfront Toronto's award-winning precinct plan for the West Don Lands area."

The award-winning athletes' village will be home to 10,000 athletes and officials from 41 nations during the games. As we see beyond 2015 and beyond the games, the athletes' village will be a place where hundreds of Ontario families have access to affordable housing through Fred Victor and Wigwamen Inc., and proudly call it home.

I'd like to cite Mark Aston, executive director of Fred Victor, who said:

"Fred Victor is proud to be part of the Pan/Parapan Am athletes' village development that will transform the games-time accommodations into permanent affordable housing for our community. We look forward to being part of and contributing to this innovative, diverse and mixed-income community."

The president of Wigwamen Inc. welcomed the athletes' village:

"This new community in the West Don Lands will help further Wigwamen's goal of providing quality, affordable housing for aboriginal and non-aboriginal

families and individuals. The focus on a meaningful legacy of the games is helping to ensure families from all backgrounds can benefit.”

It will be a place where hundreds of students will have an opportunity to live in an exciting new community. As Anne Sado, president of George Brown College, said, “Our first-ever student residence will be used during the games to house some of the world’s top athletes. Subsequently, it will be home to 500 students, accommodating growing student demand and increased enrolment. We are delighted we’ll be an integral part of this exciting new neighbourhood.”

The athletes’ village in the newly revitalized and reimagined Canary District will also be a place where the community will have access to programs and services that keep them involved and active in a new YMCA facility. Most importantly, it will be a place where the legacy of the games will continue to enhance and enrich the lives of Ontarians in a brand new community.

I’m pleased that the construction and development of our athletes’ village is well on track for completion, having surpassed 50% completion in April. These games will enrich the quality of life for Ontarians as the “people’s games” in Ontario, but will also serve as a key economic driver in the greater Golden Horseshoe over the next two years.

They will trigger investment in new and current sport and recreation infrastructure and create 26,000 jobs. They will attract an estimated 250,000 tourists, bring 10,000 athletes and team officials to Ontario, build and train a team of up to 20,000 volunteers—a valuable foundation for future events and community-building—and showcase Ontario to millions of international viewers who will be tuning in to see world-class athletes compete on our home turf.

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The games and related investments will grow Ontario’s GDP by \$3.7 billion from 2009 to 2017. Our government recognizes the importance of keeping the games accessible, affordable and on-budget. We take that responsibility very, very seriously—

The Chair (Mr. Michael Prue): And with that, I’m going to have to stop you. The half hour is up.

Okay. We now go into 20-minute rotations, starting first with the official opposition, then the third party and then the government, Liberals. So starting now, 20 minutes, Mr. Jackson.

Mr. Rod Jackson: Thank you, Minister. I will start off just by reiterating that we certainly agree with you that it’s critically important that the Pan Am Games come off well. It would be nothing short of disastrous if they didn’t actually turn out to shine a light on our athletes and on all the host cities and show that we can be the best we can be on the world stage. I think everybody wants that from the Pan Am Games. What we need to do is make sure that it happens in a fair, efficient and accountable way.

I’m going to take you back to your opening statement at the beginning of the day today where you claim your ministry was responsible for ensuring that money allotted

for the Pan Am Games was spent wisely. When asked about the spending habits of the Pan Am executives, you claim that the board made all financial decisions and operated as an arm’s-length agency. I’m curious, Minister: If your ministry had minimal say on the accountability on how tax dollars are being spent, by your own estimation, how can you claim your ministry was actually responsible for ensuring that spending was done responsibly? Exactly what tools did you have at your disposal to ensure responsible spending for the games?

Hon. Michael Chan: Okay, thank you, Rod. Actually, my rebuttal here about the statement that’s made—I actually had your quote in there, but I didn’t have time to finish it. I thank you for your original letter that you wrote to Minister Charles Sousa stating that it’s important to support the games and your expression of having a successful Pan Am Games. I think you wrote that letter a few years ago, maybe, so thank you for that. It was—

Mr. Rod Jackson: Like I said, we all hope for the best.

Hon. Michael Chan: That’s good. We talked about that this morning, so we’re going to get at this again. I think you’re concerned about those expenses, and—

Mr. Rod Jackson: My question specifically is, what tools do you have at your disposal to make sure there’s responsible spending at every level? By that, I mean the secretariat budget and the TO2015 budget. You are the minister responsible.

Hon. Michael Chan: Again, I can talk to your point as well. For 2015, they report to the board. The board is made up of those people who are responsible for different levels of government. In all my submissions here, as you know, \$500 million has been invested by the feds, \$500 million by the province, \$100 million by the city, and in the private sector and the local sports sector and the rest of the money there. So those people are appointed who make up the board. The TO2015 board is really responsible for the people or the jurisdiction that appointed them.

This is a very important board. The people there are very important, and they have a very important mandate to function—that is, to look after the routine, daily business of the operations.

Mr. Rod Jackson: What are the tools, though, that allow you to have responsibility for the Pan Am Games? What do you have that—

Hon. Michael Chan: Okay, I’m getting there. Our work here, which is P/PAG and also my ministry—basically, we have four functions here. Allow me to read them to you. The first one is to provide oversight and the provincial investment in the games; to ensure the highest standards of accountability to Ontarians as well we good governance; to ensure that provincial objectives and interests for the games are met; and to coordinate all government ministries when it comes to the games.

So this is what we do. P/PAG would provide the advice, the guidance, engage the board, which actually looks after the routine business of the operation. This is what the structure—

Mr. Rod Jackson: Okay, I understand the structure, Minister. What I guess I'm getting at is, and I'll help you out a little bit here: You referred earlier to an audit that was done, I think, if I heard correctly, back in May? Is that correct?

Hon. Michael Chan: It was done in May, done in—

Hon. Steven Davidson: The summer.

Hon. Michael Chan: Yes, the summer. May the—

Mr. Rod Jackson: So I'm curious, Minister, if the audit was done in the summertime, several months ago—three, four months ago—how did your ministry only find out about the expenses that have come into question three weeks ago? And why didn't you do anything about it when you saw the audit, if you did—I'm assuming you saw it, Minister, seeing as you're the minister responsible for the Pan Am Games. I would be looking at the audit and wanting to know exactly what was going on there, if I was responsible for it. Explain to me why you only found out about this three weeks ago and, Minister, I'll ask you again: Can you provide evidence that you did provide direction to the TO2015 board and the secretariat that you are unhappy about their expenses? Why did it take you so long from receiving that audit to act on it? Why did you only do it three weeks ago? I will ask, also—I have a follow-up question I'll come back to.

Hon. Michael Chan: Okay. I think I previously explained to Paul the sequence of that particular audit and that it was finalized in May, and actually in May 2013 they strengthened those guidelines and policies so that obviously that almost one-year audit found all those items. But again, that information was brought to my attention three weeks ago, okay?

But anyway, Deputy, you know the whole process; you know perhaps more in-depth, so please explain, because I think they asked and they asked repeatedly, so please explain to them exactly the transactions.

Mr. Steven Davidson: Certainly. Thank you, Minister.

Mr. Jackson, if I could just clarify, I heard two questions. One, you asked about the tools available to exercise the accountability and oversight role, so I could talk about the number of tools. Then I heard you ask quite specifically about the timing of the audit and the timing of the minister's awareness around the subject of the FIPPA request.

Mr. Rod Jackson: Correct, and—

Mr. Steven Davidson: So I could answer both of those?

Mr. Rod Jackson: If you would, I'd appreciate it. Also, if you wouldn't mind just telling me what the exact title of that audit was, I'd appreciate that as well.

Mr. Steven Davidson: Okay, so we'll begin with the audit?

Mr. Rod Jackson: Certainly.

Mr. Steven Davidson: So the audit was undertaken by the Ontario internal audit division; that's a division within the Ministry of Finance. Their services are available to all ministries to undertake internal audits of ministry operations, ministry agencies, or in the case of TO2015, a significant transfer payment recipient, so not an agency, as we've mentioned before.

The subject of the audit was the compliance of TO2015 with the broader public sector expenses directive, which they had just come under in April 1, 2012; so three months of compliance under the audit from April 1 to the end of June 2012 was the subject period for scrutiny.

The fieldwork on the audit began immediately at the beginning of July. It took place over the course of the summer, leading to delivery of a preliminary report whose findings and preliminary recommendations were shared by Ontario internal audit with the management team at TO2015 for their response. Their responses were then incorporated into a final audit report, which was delivered to them, I believe, sometime toward the end of November 2012. So that was the process for the audit engagement.

One of the recommendations, and certainly a direction of the ministry, who was then made aware of the findings and recommendations of the audit—we had, after all, commissioned the audit—or I should say, the secretariat had—was that because there had been, not significant gaps in compliance, but a variety of areas where certainly there could be improvements, the direction was given by the secretariat to TO2015 to review their policy and to make quite specific changes to it. That resulted in an amended policy which was finalized and put on TO2015's website in May 2013. So that's the audit story.

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As I mentioned this morning, my understanding is that the expenses that are subject to the FIPPA request that are now under scrutiny extended up to the period of April 2013. So it didn't, in fact, cover the period post amended policy. As is a regular process for ministries that commission an OIAD internal audit of an operation, there is a customary one-year follow-up audit to determine the level of compliance with the recommendations and how implementation has complied with those. So that's that piece.

If I could come back to the broader array of tools that are available to the ministry that are exercised, I begin with the fact that—again, not to belabour a point, but as they are not an agency, they're an independent, separately incorporated, not-for-profit transfer payment recipient. A primary tool that we didn't talk about this morning—we emphasized this morning their coming under the BPSA, the Broader Public Sector Accountability Act. That's certainly one overarching frame, but there's a specific transfer payment agreement between the government, the secretariat and TO2015 that governs the government's investment of the \$500 million toward their \$1.4-billion budget. That lays out, quite specifically, the expectations in terms of TO2015: its governance, its deliverables, performance measures—basically, the expectations of the funder. That's a common tool that's used by government in any funding relationship. So that certainly exists.

There's a second one that is really important, and that is the business plan that is essentially the more detailed budget that TO2015 is obliged to produce. That is subject

to independent, separate review and approval by the two principal funders: the Ontario government and the federal government. That is where the expenditure plans of TO2015 are actually laid out in more detail. That is a very, very important accountability tool for the government, as the government does have approval authority over that with and separate from the approval authority of the federal government. That does govern the spending authority of TO2015.

Those are two. The TPA, the transfer payment agreement, and the business plan approval are important.

Mr. Rod Jackson: And that would have included the expenses in question.

Hon. Michael Chan: I think—you are finished?

Mr. Steven Davidson: The answer to that would be no. The expenses in question are governed by their compliance with the expenses directive, the BPS expenses directive.

Mr. Rod Jackson: Right. So what I'm hearing here is that—Minister Chan, you said earlier that the current issue with expenses was brought to your attention by the media three weeks ago. Is that correct?

Hon. Michael Chan: No. It was brought to my attention through, I think—

Mr. Steven Davidson: I could talk about the sequencing of the FIPPA request, too.

Mr. Rod Jackson: Okay. Well, I guess my point is here—

Hon. Michael Chan: I mentioned the media looked for me, but no, it wasn't brought to my attention through the media.

Mr. Rod Jackson: Who brought it to your attention? You claim that three weeks ago, you had issues with the expense accounts and you called the members at TO2015 about those expenses. What brought that to your attention? What transpired before that call? What made you want to make that phone call that you allege you made?

Hon. Michael Chan: When those items came to my attention, I was briefed on some of the items and I just—"Look, I can't stand these items. It's not good," and I had a tremendous concern about that. I engaged the board.

This is exactly what I wanted to get back to you on. Previously you talked about, again, the written guidelines. No, I picked up the phone, I called the chair and I told the chair these are bad items and I warned—number one, relay the message to the board that I don't like it, I want it corrected, and also, strengthen the policy. I think I repeated it a few times.

So we're looking for written guidelines—no, all right? Also, by the way, I'm expecting the report back to me and I have a meeting—I think it's November 1. They will be reporting to me concerning the strengthening of the policy.

Mr. Rod Jackson: If the board is essentially—what I'm hearing is the board is policing itself; right? So the wolves are guarding the gate. You claimed earlier that on—let's see, we're talking about TO2015 now, not the secretariat; the other, duplicate board. You claim that one

of these boards has representatives from the government of Ontario. Correct?

Hon. Michael Chan: Yes. We have three left in there, yes; a total of 12.

Mr. Rod Jackson: Those three representatives who are policing themselves would have known at some point that the expense policy wasn't adhered to. Would you agree with that statement?

Hon. Michael Chan: Well, there are 12 members and—

Mr. Rod Jackson: I guess my question is, your representatives on that board, who, I would assume, are accountable to you—if not—they probably should be, would have been aware that they are in violation of their own policy on expense reporting; i.e., not supplying receipts for expenses they submitted into the thousands of dollars.

Hon. Michael Chan: They have a policy in place, and the operation submits those expenses. The question will be: Are they in compliance or not in compliance with the policy in place? According to the information we have so far, those items are in compliance with the policy, but the policy may be too generous, too soft—

Mr. Rod Jackson: No, they weren't in compliance.

Hon. Michael Chan: That's why we asked for the policy to be strengthened. And also, the board is 12 members—

Mr. Rod Jackson: They weren't in compliance. Minister, clearly they were not in compliance. Some of them were in bad faith, some of them were lacking common sense, but clearly they were in violation of their own policy on one count at least, where they didn't submit receipts for expenses they incurred. That is a violation of their own policy that they created themselves.

I guess my question here is, Minister—this isn't adding up for me. I'm not getting any clarity here. What I really want to know is, who is responsible for the efficient and accountable, transparent spending of Ontario taxpayers' money? Is it you or is it an appointed board?

What I'm seeing here is, Minister, with due respect—

Mr. Rob Leone: Passing the buck.

Mr. Rod Jackson: —is passing the buck with nothing but double-speak. The Ontario public deserves better. They deserve more accountability. Frankly, I absolutely expected you, when I asked you a question this morning about your responsibility for the Pan Am Games: "Are you responsible, Minister, yes or no?"—I totally expected to have the answer: "Absolutely, I'm responsible. The buck stops with me."

I don't understand why you're running away from this responsibility. I understand you have partners. Your partners aren't happy either, by the way. I think Mayor Ford all day yesterday and today has been solely on this subject.

Mr. Rob Leone: Angry.

Mr. Rod Jackson: Angry about it. I know, for example, your other partners have actually entrusted money with you, with the government of Ontario, for capital expenditures going directly to Infrastructure Ontario.

Your partners I can't imagine are too pleased, at all, when they find out that the people who were appointed to the board are expensing things like they are. Minister, we're not even getting into some of the bigger stuff. We're just nickel and diming here.

When we start talking about the village—you admit it. It's in the TO2015 advertising material. It has been, by the way, since day one. In fact, here I have—and the numbers are a little bit all over the place. I'm glad we're getting a little bit of clarity on that today because in this piece here, which comes from TO2015—this is all the Pan Am athletes' village, by the way, Minister, and it's a marketing piece from TO2015. It puts the estimated cost of the Pan Am village at \$1 billion. Then we start hearing different numbers being floated around, let's say, \$500 million, and then we hear getting the land ready is going to boost that price to \$700 million. And then we find out that it's not even included in the \$1.4 billion Pan Am budget.

So I'm wondering, who is accountable for that? Where is that money going, where is it coming from, and who is paying attention to that? If we can't even keep Starbucks coffee and pet travel straight, how are we going to keep track of—this isn't even in the budget. It's not even under your responsibility, is what you're telling me. So who is responsible for the Pan Am Games? Who is responsible for every project that's attached to the Pan Am Games, whether it's the \$719-million Pan Am athletes' village or it's the multi-hundreds of millions of dollars' worth of rushing the air-rail link through from Pearson to Union Station. Who is it that's responsible? Is it you, Minister? Is it the Premier? I don't want to hear this "there are a bunch of partners involved." The buck has got to stop somewhere. Your title says you're responsible; by definition, Minister, I believe that means that you're accountable, too. Who is it?

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The Chair (Mr. Michael Prue): I'm afraid you can't answer the question, because the time is up. So you'll have to think about how you're going to answer that later, if you want to, or—

Hon. Michael Chan: I think he touched on about 10 areas—

The Chair (Mr. Michael Prue): No, no. The time is up. It's now going to Mr. Miller.

Mr. Paul Miller: It's your other friend here.

Interjection.

Mr. Paul Miller: You can't answer. It's my turn.

The Chair (Mr. Michael Prue): I can't—you can give that response, if you want, in some other way, but—

Mr. Michael Harris: It's Miller time.

Mr. Paul Miller: It's Miller time.

The Chair (Mr. Michael Prue): Yes, and you can't use Mr. Miller's time for answering somebody else's question.

Mr. Miller.

Mr. Paul Miller: Thank you, Mr. Chairman. I'd like to follow along the lines—I believe you stated earlier in this afternoon's session about the four accountable re-

sponsibilities of your ministry on oversight. You did mention them. I don't have them in front of me, but you did mention four of them.

It all boiled down to accountability for the taxpayers of the province and the money which is going to be spent. Yet you tell me—in fact, your deputy minister told me—that Mr. Troop and his group are a separate entity. They have their own set of rules, their own bylaws, their own—up to \$10 million, I believe the number was, because you told me non-profit was up to \$10 million before they had to report. That's a lot of money, and they set up their own expense procedures, I guess. What I'm amazed about is, after all the trouble we had been through with Ornge, eHealth, Mr. Mazza and all the stuff that had gone on there, I'm amazed that you would have an arm's-length association with these two groups that are running the Pan Am Games and you weren't right in there finding out what they're spending stuff on.

To save embarrassment for the Liberal government, to save embarrassment for your ministry, I, if I was in the position, would have been all over that, with that kind of expenditure and money that we're putting out in this province, to run a good set of games. But when you have people that may or may not—according to Mr. Troop, he wasn't abusing the bylaws. But why would you not set in place a set of bylaws that he couldn't abuse, or that he couldn't have set up with his group that would have certainly been in question?

We have now found out that some of the things that were brought forward were certainly questionable, and some of the expenditures. So if the proper thing was done in the first place, he couldn't have gone down that road. How does that happen with oversight and accountability from your ministry and your staff, and the three reps that sit on it that represent you? I didn't see them running back to tell you that there were problems. Freedom of information did it, the news did it, everybody but the three guys, or whoever they are—ladies or men—that were representing you on that committee. So obviously, they may have done it too. They may have had some expenses that were questionable. I don't know. It may come out. They may have been part of it. I don't know.

So I'm really confused: Who's in charge here? As Rod pointed out, where does the buck stop? The buck stops in your office, in your ministry, because you're taking the taxpayers' funds, and you're deleting or putting them out, getting tenders and doing the things that you're doing with good, hard-earned taxpayers' money. You're supposed to be overseeing and being accountable with any committee you set up. Any organization that's receiving funds from you and the government should have proper oversight and accountability. This did not happen, obviously. This isn't the first time this has happened under your government, and I'm sure it's not going to be the last time.

But the bottom line here is, when do we smarten up? When do we start pretending that those dollars are your personal dollars and take care of them like any citizen would, as opposed to throwing it around and letting

individuals who are high-profile individuals, educated individuals who should know—I would know not to put in a 97-cent parking ticket. I would know not to charge somebody for a latte. I would know not to charge somebody for my cleaning. I would know that. That's morally wrong, to do that, but these people are running your organization for the Pan Am Games.

If I was there, or someone with my idealism, I would not be milking the system. So I think that these guys have been doing this so long from different organizations that it's a sense of entitlement. This has gone on and on and on with Liberal debacles for years. They just think, "It's okay to do that. It'll go away. No one is going to say anything. We just won't even mention it to the minister or the ministry."

So the bottom line is here that they got caught again. Every time since I've been here, when the Liberal government gets caught—they have to get caught to bring it forward. They have to catch Mazza. They've got to catch all these guys. I wouldn't have people in these positions that were doing that or had a history of doing that. This government has failed miserably. This ministry has failed miserably on oversight. You throw the word "accountability" around like it's a done thing, that you're going to be accountable. No, you're not. It's a disgrace these things keep going on and on and on and on and on. No wonder the public is disillusioned; no wonder they don't like politicians; no wonder they say, "Oh, they're all the same." It's this kind of stuff that does it. You're sitting there telling me, "Oh, well, you know, they're a separate entity." That's a bunch of baloney. They're not a separate entity; they're using taxpayers' dollars from your ministry, from the taxpayers of Ontario. This nonsense, time and time again, has to stop.

What have you done, Minister, other than call them and say, "I don't like it"? What have you done to put strict restrictions into that? Not allowing them to do it—you send down the orders, you send down the directives: "You will not do this anymore." Have you actually set up a line of directives to deal with the things that happened so it'll never, ever happen again? I doubt it. I doubt if you've done that.

So I've got a real problem with this whole system in this Legislature, when we're handing out people's money—hard-earned money. I've got 21% of the people, Minister, in my riding living below the poverty level, while these guys are charging 97 cents for a latte or whatever. How do I explain to the woman that comes into my office toting two kids, with nowhere to go and thrown out of her apartment because she can't pay her hydro, when these guys are throwing around this kind of money? It's an absolute disgrace. It has got to stop, and it has got to stop here and now. What do you say about that?

Hon. Michael Chan: Thank you for your very passionate and very partisan remarks. You stopped me a few times when I tried to explain to you the responsibility of different levels of organization, but then you, yourself, have been repeating, perhaps four or five times,

what you just—wandering around with your political remarks. But I can understand that. I mean, you had a way to express yourself and try to gain whatever point you want to gain here.

Again, because your comments and your passion are everywhere, I'll try to catch it here, just like the last time—catch it, you know, because it's so long.

But allow me to get back to your previous one. You talked about the village, about this additional money and about these budgets. I said that you were wrong; you're completely wrong; you're totally wrong. I think if you listen carefully to my response now, I hope you understand that this athletes' village is not another budget. I'll prove it to you three ways.

Number one, this village is clearly stated in the bid book that it is outside the 2015 budget. So, if you now, suddenly, wake up and tell the whole world that this is additional money, you're wrong.

Secondly, I again—

Mr. Paul Miller: Minister, are there two budgets or not? You said this morning that there are two budgets—yes or no? Is that second money for the village included in the \$1.4 billion that you keep touting that you're going to be within those guidelines? Is there two budgets, yes or no? Is the money for the village part of that, yes or no? I don't need you to tell me I'm wrong, unless you can prove I'm wrong. You're not proving I'm wrong. You haven't answered me.

1710

Hon. Michael Chan: Yes, I am.

Mr. Paul Miller: Is there two budgets?

Hon. Michael Chan: I am proving you you're wrong.

Mr. Paul Miller: Is there two budgets?

Hon. Michael Chan: You take a long time wandering around with comments and questions. When I tried to tell you, I proved you wrong one time—the bid budget mentioned about all the infrastructure, and the bid budget was very clear to state that the village is outside that bid budget, okay? It's written. I can show it to you.

Mr. Paul Miller: What do you mean "outside the budget"? You mean that it's going to be additional funds from another source.

Hon. Michael Chan: The second proof that you are wrong: There was a release. There was a release in 2009—maybe you were sleeping at that time—

Mr. Paul Miller: I was sleeping?

Hon. Michael Chan: Yes.

Mr. Paul Miller: I think you've been sleeping for 10 years.

Hon. Michael Chan: In 2009, on April 26, there was a release out, a government release. Opposition party members probably would be very careful, watching all the government releases. That release clearly stated that the village is a provincial investment to develop the West Don Lands. Okay?

How about 2013? I hope you weren't sleeping at that time. In 2013—

Mr. Paul Miller: Minister, with all due respect, you just said it yourself. You just contradicted yourself, with

all due respect. You said that the village is provincial funding. What is the funding for the Pan Am committee? Their expenses: Is that not taxpayers' money? Is that coming from private sources? Is that not a separate budget? Am I wrong? I guess I'm wrong. You're telling me it isn't. You're telling me the money they're all getting for the Pan Am committee and Mr. Troop and all that is not taxpayers' money?

Hon. Michael Chan: You were asking—

Mr. Paul Miller: You're confusing it. You're mixing it up.

Hon. Michael Chan: —“Will this village funding be included in the 2015 budget?” I'm telling you, a long time ago it was stated “No.” In 2009, it stated “No.” In 2013, the provincial budget stated that this village is in addition to the 2015 budget, all right? So you have three occasions, one perhaps in 2009, another one in 2009, and another one in 2013 to understand that this is a government of Ontario investment to revitalize this land, and it's not in the 2015 budget. Would that be clear to you?

Mr. Paul Miller: It's clear to me, but I don't think it's clear to you. There are two separate budgets here. You're telling me—you said this morning that there are two budgets. Now you're telling me there's just one, and it has nothing to do with the other one. The bottom line is, it all adds up to taxpayers' expenditure. It all adds up in the end. When you forecast whatever it is for the actual Pan Am Games, you haven't included the Pan Am village. It's a separate entity, you said. Basically, that's going to put up your prediction; your low prediction is going to go up with this additional revenue that's required to do the village. It's a separate entity. So you're telling me now, “No, no, no, it has nothing to do with the Pan Am budget.” I was there and I was very awake, and that's probably why you're struggling today with your answers.

The bottom line here is—I just want to ask the deputy minister. Forget it; I'll ask the deputy minister. Did you not say this morning that there are two separate budgets, one for the village and one for the Pan Am Games? They're separate, right?

Mr. Steven Davidson: I wasn't referring to the village; I was referring to the—

Mr. Paul Miller: Well, I'm referring to the village, then. Is it a separate budget? The government money that's going to build the centre for the athletes: Is that separate?

Mr. Steven Davidson: As the minister noted, the village is a provincial investment, so the budget for the village is within the secretariat's budget. I had mentioned the secretariat's budget is within the estimates.

Mr. Paul Miller: So it's a second budget, then.

Mr. Steven Davidson: It's not in the TO2015 organizing committee's \$1.4-billion budget; it's within—

Mr. Paul Miller: But we've been hearing all about the \$1.4 billion, but I didn't hear anything about the village being within the secretariat, a separate entity. Now we're adding it together, so now it's a little more than that in

taxpayer dollars. Would the secretariat be using taxpayers' dollars to build the village?

Mr. Steven Davidson: I think the 2013 budget was quite clear to indicate that this was an additional cost beyond the \$500 million that the government was investing in the TO2015 budget, that this was an additional cost and it's within the secretariat's budget, on page 149.

Mr. Paul Miller: All right. Let's move on, then. I'm not going to get an answer, here.

Hon. Michael Chan: You got the answer.

Mr. Paul Miller: Yes, I got the answer—

Hon. Michael Chan: You refuse to believe the answer. I gave you three documents to prove that you are wrong.

Mr. Paul Miller: —a little twisted, but I got it.

Minister, under what act has the regulation been implemented, who had input into the regulation and who is ultimately responsible for any infraction caused by the regulation?

Hon. Michael Chan: Please.

Mr. Paul Miller: You want me to repeat it?

Hon. Michael Chan: Yes, repeat it slowly, please. I'm sorry.

Mr. Paul Miller: Under what act has this regulation been implemented, who had input into the regulations, and who was ultimately responsible for any infractions caused by the regulations?

Hon. Michael Chan: What regulation are you talking about. Which regulation?

Mr. Paul Miller: What regulations? The ones that the board was going under, Mr. Troop and his group. Those regulations were put forward. You said that there were four things you put forward as a ministry. They had to follow those guidelines. So the regulations in place for expenditures, for anything else that Mr. Troop had under his auspice—who implemented it? Him? Did you send down the directive?

Hon. Michael Chan: Well, you mentioned four things that I said previously. I said four things here. The secretariat, you know, the P/PAGS, was created to do four things: to provide oversight to ensure a higher standard, to ensure provincial objectives were being met, and to coordinate all government ministries. So I don't believe this is an act to create that. I'm telling you the function of the secretariat, the P/PAGS. All right? You talk about regulation here, so I don't—

Mr. Steven Davidson: Just to clarify, the expenses policy—it's not a government regulation. They are bound to comply with the broader public sector expenses directive, which provides, then, the requirement that they create their own policy, which they have done.

Mr. Paul Miller: So maybe you're saying, then, that a regulation would be better than implementing their own policy. Would you think so?

Mr. Steven Davidson: A regulation would need to be done under a statute—

Mr. Paul Miller: That's right.

Mr. Steven Davidson: —so there would need to be a regulation-making power.

Mr. Paul Miller: Right, legislated. Would that not be a better position?

Mr. Steven Davidson: Well, that would be a government policy decision.

Mr. Paul Miller: Ah, thank you.

How much time do I have?

The Chair (Mr. Michael Prue): About three and a half minutes.

Mr. Paul Miller: Okay. Once again—and maybe the deputy minister can answer this—given what happened at eHealth and Ornge and some of the other things that went on, can the minister or the deputy minister explain why the ministry did not take steps to prevent the kind of inappropriate expense claims that have come forward, to our knowledge? What steps did you do during the process—I've heard it was three weeks ago that he heard about the freedom of information, the media and all that, and 2010 was when these things started to happen, according to the audit—inappropriate whatever. Why didn't you act before then? Why now? Why didn't you do something when it started? Why didn't you set out directives to Mr. Troop and his organization that would have stopped this type of behaviour so we wouldn't be faced with this right now?

We had already gone through a few things, as you know, with Ornge, Mr. Mazza and all the things that had happened there, inappropriate spending and inappropriate direction of funds. It just amazes me that we'd be in this position again when this just recently happened with the other things. Why wasn't something done? Why is it always after? Why isn't it done before? Why didn't you set it up so that this couldn't have happened?

Hon. Michael Chan: He's talking about 2010—

The Chair (Mr. Michael Prue): You have about a minute to answer this if you want to answer it. One minute.

Hon. Michael Chan: He's talking about 2010, and I became the minister this year, so you're talking about something where I do have to look into the situation for you, but then you keep talking about nothing being done.

We talked about this implementation of the policy, we talked about, after three months, the internal audit, so there's a process there, and we keep an eye, even though it's not my time there. But, you know, the government has been keeping an eye on the whole thing and—

Mr. Paul Miller: Well, they must have had a patch over the eye, Minister, because they missed something.

Hon. Michael Chan:—and now the item comes out, and we'll be correcting it.

Mr. Paul Miller: Must have been a pirate.

Hon. Michael Chan: I mean, you can go back to 2010—I go back to 2009, something you should have known that you do not. So—

Mr. Paul Miller: Obviously not. I'm not informed.

Hon. Michael Chan: Look, right here, I think we have collectively—yes, it's a situation that we are correcting. I told you that I acted. Three weeks ago it came to my attention and I acted immediately, and right now we're in the process of correcting it. The board will

be, I think November 1, at a meeting. They have to report to me. So I just want you to know that we are acting on it.

Mr. Paul Miller: Well, thank you, Minister. But this is 2013, not 2010.

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The Chair (Mr. Michael Prue): Okay. We're going to go to on to the government party now. Ms. Damerla.

Mr. Mike Colle: Why don't you release Mr. Sergio? Give him a question—

Hon. Michael Chan: Well, ask him first, then.

The Chair (Mr. Michael Prue): Anybody who wants to ask—Ms. Mangat.

Mrs. Amrit Mangat: Thank you, Chair. Mr. Sergio, my question is that we all keep on hearing from demographers that Canada is an aging society, and my understanding is that there are 1.9 million people in the province of Ontario who are over the age of 65. Seniors are not just our parents, friends and neighbours; at some point in the future, we will all be seniors. What are you doing to create healthy and age-friendly communities?

Hon. Mario Sergio: Member, you're quite right that we have a large number of seniors. They are aging and they are aging fast. We have—yes, you're quite right, and I'm pleased to see that you have done your homework—about 1.88 million, 1.9 million seniors in Ontario. We are home in Ontario to some 38% of all Canadian seniors out of the 1.9 million seniors, and they live throughout our province. From the age of 55, 60, which we call “seniors,” until they reach the age of 100, every senior needs some type of care from time to time—different care.

As you know, we came into being as of February of this year. I have been called to play the role of minister for seniors, and we quickly realized that—and we knew that before, of course, but we quickly realized that seniors—it doesn't matter where they live in Ontario—all want to live longer. They want to live better. They want to live healthier. They want to be more engaged in their community. They want to stay as active and as independent as much as possible.

Of course, as I started to travel throughout Ontario and meet with various groups and organizations, we realized that we had quite a bit of challenges and opportunities. So, for me as minister and for the government, the challenge was to provide our seniors with all the means and the care to see that indeed they will go on aging gracefully and being provided all the services that they need.

But at some point in time, we also realized—and this came into being in 2010—that it was not enough to say that we have retirement homes, we have seniors as residents in retirement homes, and that is fine. We have some 700 retirement homes. We have some 55,000 resident occupants in there. We felt that it was not enough, considering the needs of the senior population, to see that they just live longer, that they have to live better; otherwise, living longer, if they don't live better, is very difficult.

We felt that it was time to regulate retirement homes to provide not only a sense of security for the residents

but for the families as well. We have, if you will, a double system, because the seniors living in long-term-care homes were already regulated, but the seniors living in retirement homes were not regulated.

So, in 2010, we legislated all retirements to be regulated and passed the Retirement Homes Act. We also approved the Retirement Homes Regulatory Authority, where all the components of looking after retirement homes came into being. So if there were inspections, if there were complaints—whatever—they were all through the regulatory authority. Licences came from there as well. As of July 1 of last year, every retirement home that wanted to operate in the province of Ontario had to apply and get a licence.

Then again, we wanted to go further than that. Of course, there was a bunch of regulations that went along with the Retirement Homes Act and retirement homes so that every caregiver knew exactly the type of care to provide the seniors in their own residence.

Then we felt that there were other seniors in need of other measures, other care. I think you mentioned the demographics as well. We have created a bunch of other plans and programs, if I may, and I think I have supplied every member with the latest community planning guide for seniors. We have provided the other guide to seniors and programs, which has been updated. It has been well received. There is vast information in there.

So, within that, and this past year—no, I think it was this year, actually, earlier this year. Within the Ontario Action Plan for Seniors, we created a bunch of other programs and services that would address the needs of various seniors at various stages. One was the age-friendly program, the Seniors Strategy, the Finding Your Way program and others as well.

Why did we do that? Again, because we felt that if we want to see that our seniors are living longer and better, we had to provide other measures, other assistance, for seniors, wherever they may be living. To give them a choice, I think, was one of the most important things that we could do and recognize. I think this was one of the challenges that we had to address: that seniors want to be given the opportunity to choose. They want to be given a chance, and they need the tools. We were there to provide the tools for them, how to live within their own environment, as long as possible, independently.

If seniors have a choice, Mr. Chair, they do want to live longer and better and healthier and be active in their own environment, especially if it's their own homes, where they spend, perhaps, the best part of their lives. But there are times when a condition no longer permits that, and then we have the long-term-care homes, we have the retirement homes, and family members, or seniors themselves, have a choice. So we want to provide all of that.

In all of that, then we said that we have to make sure that in whatever type of residence they are, they have to be safe. We also, as a first for us, when we introduced, in 2003, I believe, or earlier, the elder abuse—that is widespread. We have to say, Mr. Chairman, through you

to the member, that the variety of abuses on our seniors often comes at the hands of their own family members. Unfortunately, often many abuses go unnoticed because the person taking the abuse does not, for fear, come forward, and doesn't say anything.

We tried to change all of that. We tried to make it very, very open. We legislated; we've put in there some \$8 million, as I said before, since 2003, to prevent elder abuse. We instituted the zero-tolerance policy, the whistle-blower policy.

We did that because the abuse of seniors can take many formats. It can be financial, which is a big issue. It can be physical. It can be personal. It can be mental. It can be verbal. It can be sexual—whatever. We felt that the zero-tolerance policy must be adhered to, and we felt that by providing all the information in training the caregivers in whatever sector they're living in, we believe that there are people who will notice, at some point in time, early enough, when a senior is being abused. It has been extremely well-received. I have to say that this is one of the ways of providing our seniors with the tools so that they can make that choice and live a healthy, long, independent life.

I have to say, Chair, to you and to the member, that we may not realize, but our seniors are living longer and living better. They still provide an immense type of help and assistance to the general community and to the government as well.

Then there is the financial aspect. Why is it important for us, as a government, and I believe this is the aim of every member of the House, that seniors do live healthier and longer? I don't have to tell you that, especially in health care, we have been going, in the last year or two, through tremendous changes, tremendous reform. It's very expensive to take care of our seniors—very expensive. If a senior occupies a bed in a hospital, it costs about \$1,000 a day, so it's in our best interest to see that that senior moves out of the hospital bed as quickly as possible. If that particular senior or whatever—it may not necessarily be a senior—goes into a long-term-care home, the cost is about \$170 or \$180 a day. If we can manage to even do better and provide services to that particular person, or seniors, in our case, in their own home or residence or wherever it may be, then it's even better because it costs much less, about \$75 or \$80 a day.

What does this tell us? It tells us that seniors want to live in their own environment, but we must provide the care as well. This is where another aspect of assisting seniors in many ways comes into place: providing more home care, more hours. We have seen some of the changes in the past year or so, where we've been saying that if you're discharging someone from the hospital and you send them home and you have to wait three weeks for particular help, that's no help at all. It's no help at all to the government, to the health care system, or to the patient and their family members as well, because within 24 hours that patient is going to be back in the hospital, so it's going to cause more pain for everybody, and especially, financially, for the hospital and the government as

well. I'm saying that because it's an all-encompassing aspect when we talk about seniors.

I don't know if maybe I have overextended a little bit in answering your questions.

Mrs. Amrit Mangat: No, it's fine. Thank you for explaining it in detail. I really appreciate it.

Hon. Mario Sergio: You're welcome.

The Chair (Mr. Michael Prue): Further questions? Ms. Damerla.

Ms. Dipika Damerla: Thank you, Chair. Minister, I just want to compliment you—

Mr. Mike Colle: So can Mr. Sergio go?

The Chair (Mr. Michael Prue): Is there a request—

Hon. Michael Chan: Maybe he wants to stay.

The Chair (Mr. Michael Prue): No, but I have to ask at this point: Are there any members from any party that may have questions for Mr. Sergio before the end of the process, which could be tomorrow? So it's today or tomorrow. Does anybody think they have any questions?

Mr. Paul Miller: No.

Mr. Rob Leone: It's 15 hours for sure.

The Chair (Mr. Michael Prue): Okay. Mr. Sergio, we thank you. But if you could make you and your staff available tomorrow, because at any time you could be recalled. But there's no sense in you sitting here in the unlikely event that that will happen. So don't leave the country, is what I'm saying.

Hon. Mario Sergio: No—I thank you and I thank the member. We have the deputy here. We have the assistant deputy here. We have other staff. They'll all be available at your call.

The Chair (Mr. Michael Prue): I know, and if they need to be called, we will let you know, but if not, we thank you for your participation.

Hon. Mario Sergio: Thank you very much, and I will submit my passport to the office tomorrow. I won't be leaving the country.

Thank you very much, Chair and members.

The Chair (Mr. Michael Prue): Just hold on while the room partially clears. It will be a little noisy here for a moment.

Mr. Rob Leone: A two-minute recess?

The Chair (Mr. Michael Prue): I have a request for a two-minute recess. Okay, We'll take a two-minute recess, beginning now.

The committee recessed from 1734 to 1737.

The Chair (Mr. Michael Prue): Two minutes have now expired. We would go back, then, to the government. Ms. Damerla, you have five minutes, starting now.

Ms. Dipika Damerla: Finally. Thank you, Chair.

Minister, I'd like to begin by complimenting you on something, and that's the fact that with most multi-sport games, people expect the capital project to go over budget and over time. But here we are in a situation with the Pan/Parapan games, one of the largest games ever—the largest Pan/Parapan games. It's larger than the Vancouver Olympics, and it's going to come under budget and on time, so well done.

Now, Minister, I've always felt that transparency is a two-way street. You can put all the information out there, but if people don't read it, it does you no good. The confusion that I've heard from the opposition side earlier around things like where does the athletes' village fit in—well, the athletes' village, right from the beginning, if anybody bothered to look at the documents, it was very clear in the original bid document that the Pan/Parapan games were different and the athletes' village was separate.

That brings me to the confusion that the opposition seems to have also around the roles, the two very distinct roles, of the Pan Am secretariat and TO2015. Could you, Minister, please explain why we have these two very different organizations, two boards, and how there is no duplication?

Hon. Michael Chan: Thank you very much for your comment about the capital projects. Yes, they're really on time and under budget, and the capital projects—some of them will be finished earlier than the time scheduled. But really, the credit belongs to IO, Infrastructure Ontario, TO2015, and also the previous minister, Minister Charles Sousa. So, you know, I'd love to take that credit, but really, those people worked hard on that one.

In terms of information not read by other people, I can't explain. I mean, if they choose not to read and not to believe, then I can't do much about that. But the fact is that—for example, the village. I mean, on three occasions—in 2009, again in 2009, and in 2013—it was very clear that this is provincial funding, and that it does not belong to the 2015 budget.

Look, in terms of responsibility, we share responsibility in terms of hosting these games. One, by TO2015—they had a budget to run it. At the same time, the hosting jurisdiction also had the responsibility to carry out the function as a host, and it's not uncommon. It's very, very common when you compare it to the Vancouver Olympic games and compare it to the upcoming Commonwealth Glasgow games, and also the previous games, the London Olympics. The hosting jurisdiction always participates with additional funding.

You know what? Even Toronto had original funding—or a budget—with 2015, and recently, I think it was a month ago, I was so pleased to hear Toronto that is adding another \$20 million to enhance the games.

So in terms of the hosting jurisdiction, it's always that way. It's been going on for all the past games. Again, people probably know that because people are telling me who are in the sports arena, and in their younger years they participated in sports. I really believe that they know these facts, but then, if they choose not to believe it, maybe this opportunity will tell them exactly what it is: that 2015—yes, to deliver, to stage the games, they had a budget. At the same time, as the host jurisdiction, we do participate, just like the Vancouver Winter Olympics, just like the London Olympics, and just like the Glasgow games.

Ms. Dipika Damerla: Thank you. How much time do we have left?

The Chair (Mr. Michael Prue): You have about one minute.

Ms. Dipika Damerla: Okay. Minister, you took very quick and decisive action as soon as you found out about some inappropriate expenses at Toronto 2015. Could you explain to the committee exactly what you did?

Hon. Michael Chan: Thank you for asking, and thank you for allowing me to repeat 10 more times.

Really, three weeks ago, it came to my attention, and I acted. People asked me, “Did you write a long letter or long guidelines?” No, I phoned. I picked up the phone and phoned them. It has been confirmed by the previous chair, and also the current chair, Mr. David Peterson. I think yesterday he also confirmed that I have asked the board to relay the message to fix it.

So this is all that I have done, but too bad the time is over; otherwise, the deputy could explain to you the process about this accountability, transparency and how we engaged the 2015 operation as well as the board.

Ms. Dipika Damerla: Thank you.

The Chair (Mr. Michael Prue): And thank you. We will now go to the Conservatives. It is now, being the time—you have 20 minutes, but obviously we will expire before then. You have till approximately 6 o’clock.

Mr. Rob Leone: Mr. Chair, before we begin, I would like to move a motion.

The Chair (Mr. Michael Prue): Go ahead—oh, at this time, then, we’re going to suspend the questioning period so that you’ll have 20 minutes when you come back.

Mr. Rob Leone: Okay. And yes, there are copies available.

Mr. Mike Colle: Excuse me, what are we doing?

The Chair (Mr. Michael Prue): He’d like to move a motion that’s being distributed.

Mr. Rob Leone: Mr. Chair, I move that the Ministry of Tourism, Culture and Sport release all audits and FIPPA agreements given to the Ministry of Tourism,

Culture and Sport related to all expenses of the 2015 Pan Am and Parapan games, from January 1, 2010 to October 1, 2013, to the Standing Committee on Estimates by 10 a.m. Wednesday, October 2, 2013.

The Chair (Mr. Michael Prue): Speakers? Mr. Leone and then Ms. Damerla.

Mr. Rob Leone: Thank you, Mr. Chair. I noted with interest earlier today that during the presentation by the minister and the deputy minister, internal audits have been prepared for these expenses. These documents already exist. Since these documents already exist, we feel that it’s simply a matter of transmitting these documents to the committee, and we feel that it can be done by 10 a.m. tomorrow and distributed to committee members via the Clerk.

We’re very hopeful that this motion is in keeping with the spirit of accountability to understand exactly what has transpired with all these expenses. We feel that it will help us in our deliberation with questions and comments related to these expenses, which have certainly pre-occupied a great portion of the opposition’s questions in this regard.

The Chair (Mr. Michael Prue): Ms. Damerla.

Ms. Dipika Damerla: Thank you, Chair. Given that we had no prior intimation or notice of this motion, we’d like a recess.

The Chair (Mr. Michael Prue): Would you be seeking a recess of longer than 12 minutes? Because if you are, I will adjourn for the day.

Ms. Dipika Damerla: We may as well adjourn for the day.

The Chair (Mr. Michael Prue): All right. A recess has been requested, and because it’s more than 12 minutes, we will stand recessed until tomorrow, at approximately 3:45.

This committee stands adjourned till tomorrow.

The committee adjourned at 1746.

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Journal des débats (Hansard)

Mercredi 2 octobre 2013

Standing Committee on Estimates

Ministry of Tourism,
Culture and Sport

Comité permanent des budgets des dépenses

Ministère du Tourisme, de la
Culture et du Sport



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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 2 October 2013

Mercredi 2 octobre 2013

*The committee met at 1558 in room 151.*MINISTRY OF TOURISM,
CULTURE AND SPORT

The Chair (Mr. Michael Prue): This meeting is called to order. I've just seen that we're at orders of the day, so we may commence.

We are here to resume the consideration of estimates of the Ministry of Tourism, Culture and Sport. There is a total of one hour and 54 minutes remaining. When the committee adjourned, we were in the process of dealing with a motion. Following the motion, the official opposition has 20 minutes remaining in their rotation.

When the committee was adjourned, as I said, we were in the middle of the debate of the PC motion. The floor is open to the Conservatives on their motion. A request for an adjournment had been asked for by Ms. Damerla and was granted, and therefore, we are back to the motion.

Mr. Rob Leone: Thank you, Mr. Chair. I do note that in the motion that we were putting forth yesterday, the deadline for earlier today, so that deadline has since passed. So, Mr. Chair, I would like to withdraw that motion and introduce a new one.

The Chair (Mr. Michael Prue): First of all, I have to rule on that. It does not require a vote. The motion has been withdrawn and therefore is withdrawn.

The floor is yours again.

Mr. Rob Leone: Thank you, Mr. Chair. I would like to move that the Ministry of Tourism, Culture and Sport release all audits and Freedom of Information and Protection of Privacy Act agreements given to or conducted by the Ministry of Tourism, Culture and Sport related to all expenses of the 2015 Pan Am and Parapan Games, from January 1, 2010, to October 2, 2013, to the Standing Committee on Estimates by 2 p.m., Thursday, October 3, 2013.

The Chair (Mr. Michael Prue): We have a motion duly made. Any debate?

Mr. Rob Leone: I do, Mr. Chair.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: Mr. Chair, I do want to begin my remarks by providing perhaps a rationale for why such a motion at this juncture is necessary. I know that a lot of members of this committee and a lot of members of the Legislature, even members of the broader public, are

very interested in what is transpiring with the Pan Am/Parapan Games. Therefore, it has garnered, I think, a significant amount of attention outside of the halls of Queen's Park and certainly in the media. If we look at the media clippings over the last few days, this has certainly been one of those moments and one of those issues that people have questions about. They are perhaps emailing members or perhaps emailing the minister different questions about these sorts of things.

At this point in time, we believe that it's absolutely necessary that we have the facts on the table. I think all of us, all members of the committee—our task is to review the estimates and to ensure that the numbers that are given to us and provided to us are accurate. Certainly over the deliberations of the past couple of days, we have seen, I think, a little bit of discussion, if not dispute, over the numbers and what is contained, how many budgets actually, in fact, exist and so on.

I also want to note, Chair, that we are here at the estimates committee. I believe we have about one hour and 15 minutes remaining with this minister. It is—

The Chair (Mr. Michael Prue): No, no. In fact, I have said one hour and 54 minutes remain.

Mr. Rob Leone: Fifty-four minutes? One hour and 54 minutes. I wrote that down wrong, and I appreciate the fact that it was corrected. There's one hour and 54 minutes left with this minister. We actually need the opportunity to review the documents that are going to be put forth before us and to actually ask the minister questions about them.

That's the reason why yesterday we moved a motion to have the information released in an expeditious manner: so that we could have those audits present with us and for us to deliberate, and I ask the minister, since we have him this evening and this afternoon here in the estimates committee. It's why we want to ensure that we get a timely response from the minister with respect to these audits.

Now, during the testimony and the discussions that were interchanged over the last little while, over the last couple of days in estimates and in the House, we have heard a lot of varying things about what has transpired and the fact that these internal audits have, in fact, been completed. We are happy to hear that there are internal audits available. That means that documents have been analyzed, assessed and reported on. We would like to have access to those audits so that we can ask the appro-

priate questions of the minister while he's still here in the estimates committee.

So it's vitally important for us to obtain the documentation that we're requesting. We believe these documents are easily accessible. They are documents that can be transmitted in an appropriate time frame to the committee. That we can have those documents in our hand in a very short time frame, I think, would help members of this committee in deliberating over the issues and the matters that we have, particularly with respect to the Pan Am Games.

Now, one of the reasons why I think the estimates committee has undertaken to provide documents and ask for and request documents, as is our right—we have an unfettered right to people, papers and things—is, when we don't have answers to the questions that are before us, we have to have an opportunity to find and explore and do other things that may allow us to get closer to those answers.

I know during the gas plant issue, when we had the Minister of Energy a year ago, we were doing the same kinds of deliberations at that time—more than a year ago at that time. When we weren't getting the answers to the questions that we had, we actually requested documents. That request for documents was far more far-reaching than this request. We believe that this one is actually far easier to achieve and to accomplish because the audits that were discussed at committee yesterday should be readily available. It is our opportunity in the estimates committee to talk about those things that will allow us to get closer to the truth.

I'm sure some of my colleagues might want to chat a bit about what transpired during that and why, but I did want to make the parallel with respect to the gas plants issue that was before estimates last year in the sense that we're trying to obtain and ascertain the different kinds of documents that would allow us to get to the truth.

When we hear things about multiple budgets, perhaps the athletes' villages not being included or included, and when we hear stories about the kinds of expenses that have been popular in the media, these are obviously questions that the public has a great deal of interest in. We need not actually delve too much into the other scandals and fiascos of the government with respect to Ornge and eHealth to know that the only way we actually start to get answers to these questions is if we make further inquiry. If this information isn't forthcoming when we ask simple questions and don't get the direct answers we require, we have to actually engage in extra matters and look into different things.

We believe that this audit and the audits that were discussed yesterday in committee would give us an opportunity to further raise the issues that are important and pertinent to examining the estimates of the Ministry of Tourism, Culture and Sport. These are very important elements that could potentially cost billions of dollars. We know already that, at one estimate, the cost of the games is going to be \$1.4 billion. We've long maintained in the Ontario PC caucus that that cost is actually going

to be astronomically higher than that which was stated already. So we have to have the opportunity and ability to get to the bottom of what has transpired.

I remember that my good friend the member from Perth-Wellington had to go to a freedom-of-information request to look at the expenses of what was transpiring at the horse racing panel. We obviously exposed some things with regard to that simply by getting the proper documentation to analyze the expenses of that ministry.

There's a pattern here, Chair, that I want to bring to the attention of the committee. When we are looking at and exploring different avenues, it's not simply asking questions and not getting those answers, but the only way we actually start to get the answers to these questions is if we go through, I think, extraneous processes to extract documentation to actually get to the bottom of what has happened.

That's why, very simply, we are in the business of trying to understand what has transpired with the Pan Am Games. We want to make sure, I think as everyone else does, that everything is being done above board, that protocols are being followed, that expenses that have been filed have been filed appropriately, and where there has not been appropriate reporting of that information, that the appropriate resource is sought. Only when we, as members of the Legislature, have that information at our disposal are we able to get to the bottom of certain things.

So this motion, Chair, seeks to do that with particular reference to the expenses that have been reported and the audits that have taken place. The motion talks about a particular timeline. I believe the timeline that we're interested in is the timeline between January 1, 2010, and October 3, 2013. We realize that this timeline has been and is longer than the minister's tenure as the minister responsible for the Pan Am Games, but obviously he is the minister right now who has to account for these things.

Again, going back to what we did in the gas plants issue here at estimates, we note that the minister of the day was not the minister when all the kerfuffle, if you will—and I don't know how that's going to be transcribed in Hansard—wasn't the minister, but he had to account for what happened and what transpired before him. I know my good friend from Barrie, today in the Legislature, did ask some pertinent questions to the Minister of Finance, who was the minister responsible for the Pan Am Games prior to Minister Chan being given that responsibility in his capacity as the Minister of Tourism, Culture and Sport.

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So we have at issue here, Chair, the fact that we have questions that are still outstanding; we don't have the answers to those questions. We require those answers in order to perform the duties of this committee. It is a great deal of time that we're looking at, but apparently, as we learned in committee, these audits already exist. So this is simply a matter of transmitting, particularly if they're in an electronic format, sending an email to members of this

committee so that we have the ability to ask these questions.

An hour and 54 minutes is not a whole lot of time. That is basically one 20-minute rotation and one 18-minute rotation remaining for each party to discuss the issues at hand. That's not a whole lot of time.

One of the reasons, again, that we wanted to push this yesterday—and I note that the governing side did ask to have a recess which adjourned this debate to today—one of the reasons why we wanted to have that information at our disposal this morning was to be able to ask the minister this afternoon pertinent questions with respect to those audits. Now, I know that would have required us to do some very fast reading. I know that the member for Barrie, who has been on this file for a very long time, is a quick reader, so we were happy to turn around the kinds of questions we might ask in a very short time frame. But given the fact that the deadline is past its due date of this morning—yesterday's motion; that is, we're pushing forward with a new motion that says that we should get this information by 2 p.m. on October 3.

That timeline, we feel, is very appropriate. It allows us to spend a little bit more time reviewing that audit, because now we'll have the weekend to also do that. I think that it's an appropriate timeline and time frame for all of us to have those deliberations, and very important.

I've listened to and reviewed the Hansard of the committee and of the minister during his deliberations. Questions have been asked, not just today and yesterday, but he has been asked, particularly by the member from Barrie, about this file. I know that the member from Hamilton East-Stoney Creek, who is now in the Speaker's chair, wishes he could have been here today to talk about this motion and add some of his commentary on it.

But at the end of the day, we feel that when it comes to responsibility and accountability on the Pan Am file, we are still severely lacking in what we've heard and what we know that exists today. We have an inability to get the answers to the questions that we need. We are looking for a modicum of responsibility to be shown with respect to what has transpired.

One of the things that I think has agitated me since I've become the member for Cambridge is that, when we ask questions about certain expenses and certain things, the automatic government response is, "Well, I don't really know what you're talking about until you can prove otherwise." It's only when we can prove otherwise that they say, "Oh, yeah, you're right. I'm sorry." Well, it shouldn't be that way.

I know that the Minister of Transportation and Infrastructure made a big deal in the Legislature today that the Premier is telling the cabinet ministers to be forthcoming with things, that they don't want to wait for the problem to come to the surface; they should fix the problem before it happens. Well, if that's the case, there should be no disagreement with this motion that we have presented today. This is what apparently has been discussed around the cabinet table. The Minister of Transportation and Infrastructure stated so in the Legislature.

I want to also note that I acknowledge and appreciate the fact that the minister has stated that the expenses that we're talking about are in bad taste. Yet another review is being done, but the deadline for that review is November 1. November 1? Why do we have to wait that long? Certainly, November 1 will allow the minister to escape the scrutiny that the estimates committee could provide in terms of those expenses, to ask the very serious and important questions that we have. I think it's only appropriate that members of this committee do their due diligence and support this motion because it's about understanding what has transpired. Let's get the facts on the table. If there are outstanding questions, let's talk about them, and hopefully we can start getting the answers that the people are demanding of us.

This isn't about Conservative, Liberal or NDP; it's what the people want. They want their government to be accountable and responsible for the decisions and actions that they have taken. Only when we can get that information are we able to have a further appreciation of what that means.

A \$1.4-billion budget, a 62-person Pan Am Secretariat with an operating budget of \$54 million, \$10 million of which is outside the Pan Am Games budget of \$1.4 billion—this is information that has come to light. This is the information that we're seeing day in and day out in the media. This is what people are talking about, what they're thinking about when they're reading it in the newspaper and talking about what has transpired at the water cooler in the offices.

This isn't small money, either. This is money that's obviously important. When you have a government that has consistently failed to balance its books with crushing and mounting debt, we have, I think, an obligation, as members of this Legislature, to ask the appropriate questions to ensure that accountability is maintained. Hopefully at the end of the day, if there has been activity that is not in keeping with the aims, principles and protocols that have been established by the Legislature and the government, appropriate recourse is taken and action is revealed with respect to that.

Chair, I wholeheartedly support the motion. I think that all members of this committee should consider the merits and the appropriateness of what has transpired. I hope, at the end of the day, that this motion receives, obviously, the debate that it deserves, but also the support that it merits on the basis of the fundamental principle of parliamentary democracy.

Chair, my remarks are stated on that. I could go on and talk about why we believe the minister has not asked the—

Mr. Mike Colle: Point of order.

The Chair (Mr. Michael Prue): On a point of order, yes.

Mr. Mike Colle: Can we just call the question and call the vote?

The Chair (Mr. Michael Prue): No, you can't. When it's your turn, you can, but he has 20 minutes, and he has used up about 18 of them so far. At the end of two min-

utes, I will recognize the next speaker for the next action that you wish to take.

Mr. Rob Leone: Mr. Chair, I realize the member for Etobicoke–Lakeshore wants to call the question and end this debate pretty quickly, but I do want to state appropriately that the issue at hand is that we need to have these documents to appropriately ask the minister.

Mr. Mike Colle: Yes.

Mr. Rob Leone: Look, I'm not disagreeing with you. I hope you're going to support it on the basis of doing that, but the idea here—I'm sure members on this side, Mr. Harris and Mr. Jackson, want to speak to this because of the vital importance of this issue. I'm not belabouring this, Mr. Colle. I think that it's obvious that we want to ask the minister questions about these documents.

Mr. Mike Colle: Yeah, so let's get on with it.

Mr. Rob Leone: Well, if we're going to ask the minister questions about these documents, we want to have those documents in our possession. I'm not making any quarrel about this. I'm suggesting the obvious: that we need these documents to ask—for the remaining one hour and 54 minutes, we want to be asking and directing questions about these audits and these expenses to the minister. So we're going to have some folks who want to talk about this issue, and they should because it's a very important and vital aspect of what we're doing here.

I don't know how much time I have left, Chair.

The Chair (Mr. Michael Prue): One minute.

Mr. Rob Leone: Well, on the basis of that, again, I urge all members of this committee to talk to this issue. I hope that the debate is fulsome and that everyone has an opportunity to participate and discuss this. Thank you very much, Mr. Chair.

Mr. Mike Colle: Point of order.

The Chair (Mr. Michael Prue): I have a point of order.

Mr. Mike Colle: I'd like to call the question on the motion.

The Chair (Mr. Michael Prue): That's not a point of order. If you wish to be on the list, I can put you on the list to debate. That would be the next speaker after Mr. Jackson.

Mr. Mike Colle: But isn't the motion—

The Chair (Mr. Michael Prue): It's not a point of order, though. A point of order is when something is going wrong.

Mr. Mike Colle: —to call the question?

The Chair (Mr. Michael Prue): It's not so that you can interject and take the place of someone who's ahead of you in the speaking rotation.

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Mr. Mike Colle: By calling for the vote on the motion?

The Chair (Mr. Michael Prue): You can put that forward if you want.

Mr. Mike Colle: Yes, that's what I'm doing.

The Chair (Mr. Michael Prue): Okay, that's not a point of order. You were calling for the vote.

We have a request that the vote now be called.

Mr. Mike Colle: Recorded vote, please.

The Chair (Mr. Michael Prue): Yes. I don't know whether there are other people who want to speak. We have certainly heard 20 minutes from the Conservative Party. Are there other people who want to speak? I know I've got two more Conservatives wanting to speak. Are there others who want to speak to this issue? No one else wants to speak to the issue.

Ms. Damerla, do you want to speak to the issue?

Interjection.

The Chair (Mr. Michael Prue): All right. Then I will recognize you, and then Mr. Jackson and then Mr. Harris, because if there are people who want to speak, we have to hear them.

Ms. Dipika Damerla: I just want to reinforce the idea that we should just go for a vote.

The Chair (Mr. Michael Prue): Well, no. In my opinion, there has only been one speaker to the issue. Now there have been two, and we've had two calls for the vote. I'm sure people want to vote. I would ask, then, Mr. Jackson and Mr. Harris, if you could briefly state your opinions, and we can get on with this.

Mr. Rod Jackson: Thank you, Chair. This is a file that I've been on almost since the day I was elected, close to two years ago now. Up till now, there have been a lot of questions that haven't been answered. I think that the ability to actually have these questions answered through some of the information that would come through in the audit would be very valuable to this committee. Certainly, the time that we would need to actually review the audit material meaningfully and to be able to question the minister based on that audit material is going to be critical.

I'll refer to some of the FOIs that I've put forward and some of the, frankly, lacking responses I've got. This only illustrates the reason why we need this information. On May 30, 2013, I requested the itemized list of expenses, including travel costs incurred by the TO2015 Parapan American Secretariat for the trips to Guadalajara, Mexico, London in the United Kingdom and even in Jamaica. What I got back was actually extremely lacking. I got the cost of plane tickets and hotel. Clearly that is the travel cost but not expenses. Clearly, the request I had was expenses including travel costs.

This is just an example of some of the blocking and obfuscation that we've had by the secretariat and by TO2015 about getting the information we need. Worse than that, Chair, is that this costs money. We have to pay for this freedom of information. It's not so free when you have to pay for it.

It's kind of disturbing, especially now in light of some of the information we're getting. Even the minister has admitted that some of the information we're getting back is frankly ridiculous, I think using his words or at least the Premier's words. I would agree that this is not in the scope or the spirit of expenses for people who are being paid by the public to do a job—paid well, Chair.

The chair makes \$477,000 a year. There's a couple more who make over \$300,000 a year. This borders—38

people on that board are on the sunshine list. That's not including their expenses. Their expenses are upwards of \$30,000 a year. So I want to know what those expenses are—

The Chair (Mr. Michael Prue): I would remind you, Mr. Jackson, that what we are debating is the motion put forward by Mr. Leone, not who's on the board or how much they're paid, but whether or not the minister should produce the documentation in the manner set out, which is by 2 o'clock tomorrow. That's the motion, so if you would confine yourself to why the motion is a good motion rather than how much people earn on the committee, I would appreciate that.

Mr. Rod Jackson: Chair, with respect, that is pertinent to what I'm talking about. We need to find out exactly what the expenses are and the audit is of all these people on that board. The expenses that they have are a good portion of what their remuneration is.

Ms. Dipika Damerla: Chair, point of order.

The Chair (Mr. Michael Prue): On a point of order, Ms. Damerla.

Ms. Dipika Damerla: Chair, I do get the sense that the opposition is just talking to delay. We all agree; we want to support this. Why don't we just go for a vote? There is no dispute. We want to vote with you. We want to vote on this motion, and we want to support you, so I don't understand—I mean, I understand why you're talking this out, but please, this is not constructive.

The Chair (Mr. Michael Prue): First of all, the Chair cannot take a point of order as Mr. Colle did and shut down debate. That is not parliamentary; it cannot be done.

I have to entertain those who wish to speak to the motion until I am satisfied that there is nothing else being said. I have cautioned Mr. Jackson to speak to the motion. Please speak to the motion. I anticipate that there are many in the committee who would like to go to a vote. If you could state why it's a good reason to vote for it or not, I think that's what's parliamentary, and that's what needs to happen, not whether or not there are people in the committee who are earning what you might consider exorbitant amounts of money or whether there has been money wasted. The issue is whether or not the minister or the ministry should be producing the documents you are requesting in the time frame you are requesting, which is tomorrow at 2 o'clock.

Mr. Rod Jackson: Thank you, Chair. Yes, it is critical that we have these documents produced. The expenses of the committee, as we've found up till now, are not being properly observed. We don't have any indication that there's anyone watching these expenses. We don't have any indication so far, in writing, from the ministry, or any evidence whatsoever from the minister or from TO2015 that there is any accountability here for these expenses. So for us to actually get hold of these expenses and have the time—Chair, this is the critical piece to this, to have the time—to actually review these documents before we have an opportunity to question the minister is critical.

So far to date, as I've mentioned, in previous requests going back to 2011, we haven't had a proper clarification

of any of the expenses. In fact, we've been stonewalled on them and given only pieces of what the FOI has asked for, despite the fact the FOI was actually paid for. This is bad faith so far, and on top of that, what we're looking at is potential bad-faith expenses. The more we look at these, the more important they become.

I want to know why they've been hidden so far. The expenses are a critical piece of accountability. We know that these people are being paid by the public purse. This money is coming out of all our pockets. I think people deserve to understand and appreciate exactly not only what the TO2015 organizing committee is expensing, but also what the secretariat is expensing on these trips. Many of these trips and responsibilities overlap with one another. So I think it's critical that we actually find all this information and find out exactly what's at stake here.

We all know that when you submit expenses, you're accountable for them. As MPPs, we're accountable for them, and we don't get paid for them if we don't even give receipts. We've already found, in the small FOIs that we have actually seen, that—

Mrs. Amrit Mangat: Chair, I have a point of order.

The Chair (Mr. Michael Prue): Point of order from Mrs. Mangat.

Mrs. Amrit Mangat: Can the member speak about the motion? He's not talking about the motion.

The Chair (Mr. Michael Prue): He is straying far from the motion. This is a very simple motion: whether or not the minister should produce the documentation in a timely manner by tomorrow at 2 o'clock. If you would speak to the motion why the minister ought to do it or why the committee members ought to vote to have it done, rather than straying into the extraneous areas, we would appreciate it very much.

Mr. Rod Jackson: With all due respect, Chair, I think I've been talking exactly about the expenses and the important need for them.

Mrs. Amrit Mangat: Talk to the motion.

Ms. Dipika Damerla: Talk to the motion, please.

Mr. Rod Jackson: The motion actually states, "I move that the Ministry of Tourism, Culture and Sport release all audits and FIPPA agreements given to or conducted by the Ministry of Tourism, Culture and Sport related to all expenses of the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013, and report to the Standing Committee on Estimates by 2 p.m., Thursday, October 3."

I don't know what part of what I've been talking about isn't pertinent to that at all, Chair, with due respect. I've been talking about the need for all expenses, not only for TO2015, but certainly for the secretariat as well. We've learned that there are two budgets, and I want to know what the expenses are for these two groups of people. We've seen a duplication of bureaucracy here, and if there's going to be duplication of expenses and maybe even different rules around these expenses, it's critical for us to get them under this audit. This is the only way we're going to get it. It's clearly the only way we're going to get this: if we actually go and demand to get

these from the ministry and then actually have the time to be able to question them. Without this motion going through, we won't have the time to actually read the documents. We won't have the proper time we need to interrogate the minister about these documents and find out exactly how to get to the bottom of these expenses. By his own estimation, these expenses are exorbitant, inappropriate and ridiculous, so let's get to the bottom of the expenses—

Ms. Dipika Damerla: Chair, a point of order.
1630

The Chair (Mr. Michael Prue): Another point of order from Ms. Damerla.

Ms. Dipika Damerla: He's straying. All you need to talk about is the merits of why you want this motion, not whether expenses are—or the budget. You're not speaking to the motion.

Interjection.

The Chair (Mr. Michael Prue): I think her point is well made. I understand that the members may want to speak for a while in order to make sure that this goes on to the next day so that you'll have a chance to look at it, but there are other avenues and other ways of doing that other than talking around the motion. Please, if you want to talk to the motion, do so. If you want a recess or an adjournment, that's another way, but to speak endlessly about things that are not contained in the motion is not doing anyone any good here today.

I leave it to you. There are many parliamentary tools, and speaking endlessly around the motion is not one that I would countenance or agree to. So I would ask, Mr. Jackson, that you speak to the merits of the motion or cede the floor to your colleague Mr. Harris.

Mr. Rod Jackson: Thanks, Chair. Like I said, I don't know how much more clear I can be about talking to the validity of this motion to get all the expenses that are incurred by the TO2015 committee. We know they've been less forthcoming. In fact, some receipts that we know of already—the reason we need this audit is because we want to really know exactly what is going on with these expenses. We know that certain expenses have been paid for without receipts, for example. I want to know how many more of those are going on. We're only going to get that if we actually go through and find the audited version of the Pan Am Games.

It'll be interesting, too, to find out whether this audit includes the secretariat and TO2015 or if it's only indicative of one or the other. So to be clear, we need a list, an audited list, of all of these expenses. I think it's incumbent on the minister to provide oversight for this. I want to see from these expenses what kind of oversight he has provided, this ministry has provided, this government has provided. We're only going to get that from these audited documents.

Like I said today, we have not received any indication from them, not even that—I don't even have faith that there is any oversight here. So it'll be very interesting to see the results of these audits, when they happened, what the timelines are with respect to what the minister now

and the previous minister knew before and after the audit about the expenses and what took them so long to act. The timelines here are actually critical about when we get hold of these expenses and our ability to question the minister about them.

The Chair (Mr. Michael Prue): Mr. Jackson, I have been very patient. Unless there is something new, I'm going to give the floor over to Mr. Harris. Is there something new that is based on the motion itself?

Mr. Rod Jackson: I've been talking about the motion now for several minutes, I think—

The Chair (Mr. Michael Prue): No, no, you've been talking around the motion. I do not sense from the members—and I have no idea how people are going to vote—that there is any opposition to this. If I am wrong, please tell me, but I anticipate that this is a routine motion, and I would ask that you either deal with the motion or cede the floor to Mr. Harris. Talking about everything else that's around the motion and what you're hoping might be produced is not what the motion is about. The motion is about the minister and the ministry producing the documents by tomorrow. That's what the motion is. You've explained your rationale for wanting it.

I'm trying to be a fair Chair, but I don't like dilatory practices at the best of times for any reason. If you don't want to proceed today, and if you want a whole day to study this and don't want to do anything else today, then please move an adjournment of the committee if that's what you want, but please don't continue to use this debate as some way of delaying how long it takes.

Hon. Michael Chan: Thank you, Chair.

The Chair (Mr. Michael Prue): No, no, please don't thank me. I don't want to be thanked here. This is a thankless job, and I cannot be thanked.

Hon. Michael Chan: I apologize, Mr. Chair.

The Chair (Mr. Michael Prue): This is a thankless job.

Mr. Jackson, if you have something to say about the motion, please say it; otherwise, I'm going to recognize Mr. Harris.

Mr. Rod Jackson: Can I call for a 10-minute recess?

The Chair (Mr. Michael Prue): Okay. We have a request for a 10-minute recess, which is always in order. This committee is recessed for 10 minutes. Please be back promptly at a quarter to 5.

The committee recessed from 1635 to 1645.

The Chair (Mr. Michael Prue): The meeting is resumed. Mr. Jackson, the floor is yours if you have anything to say around the motion itself.

Mr. Rod Jackson: Thank you, Chair. I think I've covered most of the ground I'd like to cover, and I cede the floor to Mr. Harris.

The Chair (Mr. Michael Prue): I have Mr. Harris down as the next speaker.

Mr. Michael Harris: Thanks, Chair. I think it's extremely important to give some context to the reason we're doing this. I know there likely is agreement to this.

However, from the beginning of my elected career to the Legislature, back in October 2011, I had the oppor-

tunity to sit on the estimates committee, where we debated similar motions to this. They went on for some time. In fact, I just ran into Minister Zimmer coming down the stairs, and I had to recall some of his discussion points as we were going through similar motions to get information from the Ministry of Energy, when it came to power plants.

I think Ontarians, especially the constituents that I represent, send me here to ensure that—they can't come to committee and sit in these chairs and ask the relevant questions of the minister pertaining to expenditures of the government or in this case specifically the Ministry of Tourism, Culture and Sport related to certain expenses when it comes to some significant spending budgets with regard to the Pan Am Games. I think it is extremely important to give context to Ontarians as to why we're asking for these things.

I recall the member across from me, who oftentimes would call many, many recesses to discuss with his colleagues pertaining to some of these motions that came about. It is extremely important.

Although there could be, and there likely is, agreement to this particular motion, I believe it is extremely important to give context as to why we're putting this forward. We had similar motions back in estimates of the Ministry of Energy on similar requests for things, especially expenses and costs relating to the cancellation of the power plants. It took months and months and months to get those pertinent pieces of information to allow Ontarians the true transparency that we believe is important to them as those are the tax dollars that they send.

Again, I know Mr. Leone and Mr. Jackson spoke to the essence of the motion. I'm going to continue to speak to it. I remember the Minister of Energy, former Minister Bentley, often wanting to give context to what he was doing, and I think the onus is on us to give that same context to Ontarians who sent us here to protect the public's purse. That's simply what we're doing here.

Ms. Dipika Damerla: Point of order, Chair.

The Chair (Mr. Michael Prue): A point of order from Ms. Damerla.

Ms. Dipika Damerla: Chair, I'd like to ask the member opposite to stick to the motion and not go into the history of who he has met and hasn't met. Thank you.

Mr. Michael Harris: Well—

The Chair (Mr. Michael Prue): Excuse me. It's not for you to ask; it's for the Chair to ask, but your point is well taken.

Mr. Harris, I have allowed a little bit of leeway in the first minute or two for you to get to your point, but the point is why the committee should support the motion put forward by Mr. Leone and whether or not the facts contained in it are what you want. It is amendable; you can amend it. It is arguable on the facts that are before us in the motion. The rationale for you doing it is not so much an issue here today.

Mr. Michael Harris: All right. Well, I think it's important to communicate why members of this committee should vote for this motion that Mr. Leone did, in fact,

put forward. I see members of the committee are willing to move this motion forward.

I can't assume anything. I think that we all know when it comes to commitments or promises that some of the parties in this Legislature oftentimes will say one thing and do another. I'm fearful that if we got to a vote—

Ms. Dipika Damerla: Point of order, Chair.

The Chair (Mr. Michael Prue): On another point of order: Ms. Damerla.

Ms. Dipika Damerla: Speaking about party records, Chair: I don't see how that pertains to the motion.

Mr. Michael Harris: I'm not speaking to your specific party. If you assumed that that's the case, that's your own prerogative.

Ms. Dipika Damerla: I'm not speaking to you; I'm speaking to the Chair.

The Chair (Mr. Michael Prue): Thank you for your interjection. I'm going to allow Mr. Harris to continue, but I do ask you to get to the point.

Mr. Michael Harris: Yes, well, I'm giving not only context but appealing to members of this committee. Like I had said before, I didn't specifically name a certain party. I think we all know who I was talking about when it comes to making commitments and following through on things.

I see that there's some sort of sense of agreement to this motion, but I think it's important, Chair, to give members of the committee reasons as to why they should support this motion, and I feel that I need to outline those reasons. I'm sorry; I'm not going to take their word for it. We know how that has panned out in the past.

1650

As my colleague Rod Jackson has stated, and we've seen this happen time and time again, when we've asked for things, they don't always come. Or all of a sudden, there's a memo to the committee tomorrow saying that—

Mr. Grant Crack: Point of order, Chair.

The Chair (Mr. Michael Prue): On a point of order: Mr. Crack.

Mr. Grant Crack: I think if the member opposite would speak to the motion, it will be quite helpful. It appears to me that this is just a stall tactic, and I think we need to get on with the business at hand.

The Chair (Mr. Michael Prue): I thank you for your interjection. I have dealt with this a number of times. I would remind Mr. Harris that I'm anxious that you continue with this.

We have a number of people who are here from the ministry. We have the minister, the deputy minister and a number of staff who I think we pay, if not handsomely, at least well. They are here, and they are not doing what they are supposed to do, which is to answer questions at the committee. They cannot answer the questions of the committee members until such time as we deal with this motion. This motion is fairly routine, and I would ask you to either get to the point or to finish.

If for some reason you don't wish to deal with anything today, as I've explained to you, you have other tools. Simply talking in circles is not one of the tools that

I will countenance. Please get to the point and do it rapidly, because I am starting to lose my patience, and I am a very patient man.

Mr. Michael Harris: No, I know that, Michael. We've tested that. In fact, the government has tested that. The member who just raised this very point of order has tested that time and time again, and I experienced that. I would hope that he would give me the same latitude when it comes to speaking to the motion.

Although yes, I agree with you, Chair, that members of the ministry are here, I think it is important and pertinent that they hear why this is so important for Ontarians to get this out as to why these audits that the ministry has performed are so important to Ontarians so that we can receive that information and ask the appropriate questions of the minister and the ministry pertaining to significant expenses that the taxpayer has and will continue to incur. Yes, you're right: There are significant resources here. But I also believe it is so important for them to understand why we're asking for this motion and to make sure that we've left nothing on the table when it comes to voting for the motion, that all members will unanimously support our call for these audits, but not only that: to understand and realize the importance of why we're asking, and then what we're going to do with those audits. Although the bureaucracy has done these things, it is important that the committee analyze these on behalf of taxpayers, the ones who, ultimately, we defend, and get those questions out appropriately.

As I had stated before, it's important to give the context. Chair, you've asked me to explain my reasoning as to why this motion is important. The list goes on and on. We're talking about \$1.4 billion here. That's significant. I understand people sitting in the gallery today are earning a wage, as we all are. I think there are significant dollars here at the committee table that are being spent by taxpayers.

But the taxpayers that I represent expect me to stand up and communicate the reasoning of the importance of this motion, because they can't. They don't have that opportunity. We do, and we need to communicate that to the best of our ability so that when a vote does come—

Ms. Dipika Damerla: Chair, point of order: If the member could please speak to the motion.

The Chair (Mr. Michael Prue): Your point is well taken and I think, Mr. Harris, I'm going to have to say that this has become extremely repetitive. I haven't heard anything new, nor have I heard any arguments about the motion itself. I'm going to ask if there are any other speakers, and in the absence of that, I'm going to call the question. Are there any other speakers to this motion on the merits of the motion, or any amendments to the motion or anything else of relevance to the motion? Any other speakers? Seeing none—

Mr. Rob Leone: Twenty-minute recess, Chair.

The Chair (Mr. Michael Prue): Yes, that is totally in order. I have a request for a 20-minute recess, which is automatic. It must be granted. This is in advance of the vote, just so everybody knows. When you come back at a quarter past five, we will be voting on the motion.

The meeting is recessed until a quarter past five.

The committee recessed from 1655 to 1715.

The Chair (Mr. Michael Prue): The meeting is called back to order. We will now deal with the question at hand, and that is the motion made by Mr. Leone.

All those in favour of the motion by Mr. Leone—

Mr. Rob Leone: Recorded vote.

The Chair (Mr. Michael Prue): A recorded vote has been requested.

Ayes

Campbell, Colle, Crack, Damerla, Dickson, Harris, Jackson, Leone.

The Chair (Mr. Michael Prue): That would be unanimous.

It's now back to the Conservatives. You have 20 minutes in which to question the minister.

Mr. Rob Leone: Mr. Chair, I'd ask for a 10-minute recess.

The Chair (Mr. Michael Prue): It is, again, in order. A 10-minute-recess—

Mr. Mike Colle: You don't want to ask the minister any questions? The minister is here; the staff is here.

The Chair (Mr. Michael Prue): It is in order. A 10-minute recess has been requested, and we will come back again at about 26 or 27 minutes after 5.

The committee recessed from 1717 to 1722.

The Chair (Mr. Michael Prue): We will now call the meeting back to order. The Conservatives: It is now your 20-minute rotation.

Mr. Rob Leone: Mr. Chair, I would move adjournment.

Mr. Mike Colle: Point of order—

The Chair (Mr. Michael Prue): No, there has to be proceedings. You'll have to at least ask one question of the minister before I can do that.

Mr. Rob Leone: Minister, how are you?

Mr. Mike Colle: Point of order, Mr. Chair.

The Chair (Mr. Michael Prue): Yes?

Mr. Mike Colle: Mr. Chair, today we have all the ministry staff here. They've been here since 3:45. The minister and the deputy have been here to answer questions about the estimates. They've been waiting patiently—

The Chair (Mr. Michael Prue): Yes, and the point of order is?

Mr. Mike Colle: The point of order is that I think we should get on with the business of the day, and that is to question the minister about the estimates that are before this committee and to do our job. We shouldn't be playing these stalling tactics that offer no value to anyone, especially the public. We should get on with our job, and that is to question the minister on the estimates before us. An adjournment would basically mean that we're not doing our job.

The Chair (Mr. Michael Prue): There is not an adjournment at this moment. There may be an adjournment in short order. Your point is not well taken at this point.

The member has asked the minister how he is today. Minister, do you want to respond to that?

Hon. Michael Chan: Definitely. This is a very, very wonderful and very nice question. I actually feel great, and I'll tell you why I am feeling great—

Mr. Rob Leone: Good answer. Mr. Chair, I move adjournment.

Hon. Michael Chan: I feel great about, so far, the success of Pan Am. It's just fantastic. Chair, I'll tell you why I think it's a fantastic success so far. Since we landed Pan Am in 2009—

Mr. Rob Leone: Thank you for the answer. You're doing well. It's good. Thank you.

I move adjournment.

Hon. Michael Chan: I'm answering. Please do not interrupt. I thank you very much for your question.

Since we landed the 2015 Pan Am, we've huddled together, of course, and so far have done a fantastic job in terms of the capital projects.

Mr. Rob Leone: Thank you very much—

Hon. Michael Chan: All the capital projects so far, I think most of them are soil-turning. Many of them are half-completed. I would say that all of them, from the information I have, are on time and on budget.

The early indication that I have on numbers is about \$50 million under budget. This is a tremendous success so far for Pan Am and the people who work in Pan Am, of course. They partnered with Infrastructure Ontario, which provides the expertise and guidance and planning and all that. This is really a tremendous partnership between the province of Ontario and Pan Am—

Mr. Rob Leone: All right. I have another question for you, Minister.

I'll move adjournment, Chair.

Hon. Michael Chan: Chair, I haven't finished answering this wonderful question. I feel so great, and he asked me how I am, so I'm excited to tell him why I feel so great.

Mr. Rob Leone: Well, you did already. Thank you.

Hon. Michael Chan: No, I haven't finished.

The Chair (Mr. Michael Prue): Please—

Mr. Rob Leone: He stopped.

The Chair (Mr. Michael Prue): I know he has spoken, but, please—if you would wrap up on how great you feel, because I don't think anything is happening here in terms of what estimates are supposed to do. I mean, if we're going to adjourn, let's adjourn. If we're not going to adjourn, then we'll get into the real questions.

Is there anything else you want to tell us about how great you feel?

Hon. Michael Chan: Chair, I just want to continue to tell you the good news and why I'm feeling so great.

I'll give you an example: The Pan Am aquatics centre and field house were done in Scarborough. The construc-

tion is really on the go, and that will meet the target. They will finish on time, perhaps under budget.

How about the other one here, the Pan Am/Parapan Am athletics stadium? That one will be also—

Mr. Rob Leone: Minister?

Hon. Michael Chan: —up at York University, and that one will be also going on as well.

Oh God, this one is great. I get so excited about this one. This one is happening in my own area—

Mr. Rob Leone: Oh, you should be excited.

Hon. Michael Chan: —which is the Markham Pan Am/Parapan Am Centre. I would invite the member, when you have time, to come on up to Markham to have a look at the construction. It's such a good thing, a good feeling that these Pan Am capital projects are able to be in Markham, to be in other areas, because it really can be able, when the games come and go, to leave a fantastic legacy. What I mean, Chair, is that people can use those capital projects for many, many years to come.

I'll give you another legacy here, Chair. We planned to talk—

Mr. Rob Leone: Point of order, Chair.

The Chair (Mr. Michael Prue): Point of order for Mr. Leone.

Mr. Rob Leone: I asked a simple question. I'm not sure I got a simple answer, and since I'm not hearing—

Hon. Michael Chan: Well, I don't think your question is that simple—

Mr. Rob Leone: I'm satisfied, totally. He's feeling great.

Hon. Michael Chan: I'm excited about talking about how great it is.

Mr. Rob Leone: He said it in a few words; he's feeling so excellent and great.

The Chair (Mr. Michael Prue): I can see from all sides of this room that people are good at speaking. Mr. Leone, back to you for questions, or whatever.

Mr. Rod Jackson: Chair?

The Chair (Mr. Michael Prue): Mr. Jackson.

Mr. Rod Jackson: May I call for a 10-minute recess, please?

Ms. Dipika Damerla: No.

Mr. Mike Colle: He hasn't asked any substantive questions.

Ms. Dipika Damerla: There's no reason.

The Chair (Mr. Michael Prue): No, but he did get a substantive answer.

Ms. Dipika Damerla: Depending on the question; he answered the question.

Interjections.

The Chair (Mr. Michael Prue): All right. I am bound to grant the request for a 10-minute recess.

However, as the Chair, it is my responsibility to make sure that the meeting flows smoothly, that the estimates committee gets its job done, which is the questions of the minister and the responses from the minister on the estimates themselves. We have in total only five hours with this particular minister. We had one hour and 54 minutes

when we started. We probably have about one hour and 50 minutes left. I don't know; I'm only guessing.

But this, I think, must be frustrating to all members. I'm going to grant the recess, but I'm not going to grant a recess every time it's requested when it's one question, one recess, one question, one recess. I want the members to know that we simply cannot go on like this.

This will be a recess for 10 minutes, but when we come back, I assume that we're going to get on with the business of the committee. The meeting is recessed for 10 minutes. We'll be back at a quarter to 6.

The committee recessed from 1734 to 1745.

The Chair (Mr. Michael Prue): I call the members back to order. The floor, again, belongs to the Conservative Party. There are how many minutes left, Mr. Clerk?

Interjection.

The Chair (Mr. Michael Prue): You have six minutes left.

Mr. Rob Leone: Seriously?

The Chair (Mr. Michael Prue): You used 14 up with your question to the minister.

Mr. Rob Leone: I asked a simple question of: How are you doing today?

The Chair (Mr. Michael Prue): Yes, and—

Mr. Rob Leone: I used 14 minutes for that?

The Chair (Mr. Michael Prue): Fourteen minutes.

Mr. Rob Leone: Seriously?

The Chair (Mr. Michael Prue): Seriously. I'm sorry; that's what the Clerk informs me.

Mr. Rob Leone: Thanks, Mr. Chair. I'm going to move another motion, if I'm able to do so.

The Chair (Mr. Michael Prue): Yes, you can, then we will cease with the time, so we'll preserve your six minutes. Please move on to the motion.

Mr. Rob Leone: Thank you. I move that the Ministry of Tourism, Culture and Sport release all correspondence delivered to the Ministry of Tourism, Culture and Sport, the Minister of Tourism, Culture and Sport and the Pan Am and Parapan Secretariat related to the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates by 12 p.m. Thursday, October 17, 2013.

The Chair (Mr. Michael Prue): Do you have copies made, or do we need—

Mr. Rob Leone: I believe I have some copies made, yes.

The Chair (Mr. Michael Prue): You have copies made. Well, if you could give them to the Clerk, first of all, we'll check and read it to see if it's in order. If it is, the committee can then proceed as it wishes.

Mr. Rob Leone: So Chair, did that 10 minutes count toward the four? Like, how does the 14—

The Chair (Mr. Michael Prue): Yes, as soon as the question started, as soon as you started asking the question, and then the response and the other debate times until such time as the motion for a recess was made, the Clerk advises me that was 14 minutes.

Mr. Rob Leone: I don't believe that.

The Chair (Mr. Michael Prue): Well, we will check it. If it's wrong, we will let you know, but that's what he advises me.

Mr. Rob Leone: I would like that checked.

The Chair (Mr. Michael Prue): He watches the clock much more carefully than I; it's the nature of his job.

So just wait till we read this. All right, so it is substantially different from the first motion, and it would appear to me, on the face of it, to be in order. All right, then—

Mr. Mike Colle: If I have a question about the motion, can we ask the question?

The Chair (Mr. Michael Prue): Yes. I'm going to have the mover of the motion speak first, and then I have you down as the second speaker to the motion.

Mr. Rob Leone: Well, quite simply, Mr. Chair, the idea behind this motion is that, firstly, we're looking for correspondence now delivered to and from the Ministry of Tourism, Culture and Sport, the Minister of Tourism, Culture and Sport and the Pan Am and Parapan Secretariat with respect to the information related to expenses and costing of the Pan Am Games and Parapan Games.

Again, this is a very important issue with respect to what our constituents are talking about. I do note that the timeline that we're talking about here with respect to the release of that correspondence—we're actually trying to provide some more leeway with respect to the date of Thursday, October 17. So there's some more time related to the issuing of the release of the documentation that we require.

It's important for us to have all the information necessary. We feel that the audits are one component of the information that we're going to discuss. We passed that motion, thankfully, earlier today. We think that the correspondence—and by “correspondence” we mean certainly letters, emails, presentations given to various people, either delivered to or from the ministries stated and the secretariat—would be pertinent to the investigation that is before us.

At this point in time, Chair, we feel that this motion would provide us with the necessary information to conduct our work on this committee. Again, we're talking about a time frame that is not as long as we've done in the past on this committee, but one which provides ample time to gather and collect the documents that we require.

That is, in essence, the purpose of the motion. I'm happy to entertain a question from the member from Etobicoke–Lakeshore.

1750

The Chair (Mr. Michael Prue): Eglinton–Lawrence, actually.

Mr. Rob Leone: That's right.

The Chair (Mr. Michael Prue): But before you do that, the Clerk has advised me that in fact the Conservatives used up only 12 minutes, not 14, and the actual timing, to be correct—the questions started at 5:22 p.m. and the motion for the recess was 5:34. So that is the 12 minutes. So in fact you have eight minutes left, not six.

Mr. Rob Leone: Thank you, Chair.

The Chair (Mr. Michael Prue): Mr. Colle, the floor is yours.

Mr. Mike Colle: I'm just wondering, as the federal government is an equal partner in this and they have three members on the board and they're funding it—I think \$500 million—whether we should ask also for all correspondence between the federal ministry responsible for the Pan Am Games and—the federal ministry and the Pan Am Games secretariat—that we ask for their correspondence also to give us a fuller picture of the information that was pertinent to this request, given the equal partnership between the feds and the province on this. So I think it would be amended to ask for that further information from our federal partners in this, too.

The Chair (Mr. Michael Prue): Are you moving an amendment?

Mr. Mike Colle: Yes.

The Chair (Mr. Michael Prue): Okay, so the amendment—I'm not sure that the amendment—well, we'll have to get it in writing. I'm not sure that it's in order because I'm not sure that this committee has the authority to compel evidence from the federal government. I'd have to ask the Clerk, but it does not seem logical to me that we do. But the Clerk is otherwise occupied, so let's just give him a second and we'll put the question whether the motion—the motion has been made to add the federal government to produce the documents, and I have stated that I feel uncomfortable with that because I don't think the committee has that authority.

The Clerk has confirmed that we don't have that authority, so I would have to rule the amendment—

Mr. Mike Colle: Could I speak to that question? I have a question, a point of order.

The Chair (Mr. Michael Prue): Well, if you have a point of order, please, you can make your point. I'm happy to listen. Perhaps I'm wrong, but the Clerk has verified that we don't have that authority, and I think it's only logical.

Mr. Mike Colle: We've got \$500 million in the estimates of the ministry. It's a line item from the federal government because they are equal partners. This is a very unique situation where it is not a ministry agency directly. This is a tripartite organization, especially with the two major partners being the federal and provincial governments. I'm sure there's been correspondence

between this second major partner and the secretariat, and I think we need to get that full picture, given that one of the partners is in the estimates. If you look at the estimates—I'll get a copy of the estimates—I know that's a line item. Why we can't at least ask them for their information—we can at least make the request.

The Chair (Mr. Michael Prue): Any member can write a letter and ask, so if you want to ask for the federal government to produce these documents—I'm sure that any Canadian citizen can do so.

However, the estimates committee is confined to the estimates of the ministry, not of anything else. That's why I had to rule earlier against a motion made by the member from Nipissing. I had to rule against his motion because he was asking for items that were outside of the estimates of that particular ministry. I would have to rule exactly the same way on your request; it is outside the estimates of the ministry of culture and sports, and we are confined to what is in his estimates document.

What is going on between this ministry and the federal government or agencies or others is extraneous. Again, I'm sorry. You've made your point; I have to rule it out of order.

Are there further speakers? Any further speakers to this motion? All right, seeing no—Ms. Damerla.

Ms. Dipika Damerla: I'd like to ask for a recess.

The Chair (Mr. Michael Prue): Well, if you're asking for a recess, it's now six minutes to, so I'm going to ask you to move that in the form of an adjournment, because, unless your recess is going to be less than six minutes—

Ms. Dipika Damerla: The recess will be more than six minutes.

The Chair (Mr. Michael Prue): All right, then. If you would move adjournment, I think there will be agreement from all parties.

Ms. Dipika Damerla: It's up to you, Chair.

The Chair (Mr. Michael Prue): She moves adjournment. We have a motion for adjournment. All in favour? Everybody agree to adjournment?

Mr. Rob Leone: Yes.

The Chair (Mr. Michael Prue): Okay, all right. Carried.

We are adjourned, then, until next Tuesday at 9 a.m.

The committee adjourned at 1755.

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Legislative Assembly of Ontario

Second Session, 40th Parliament

Assemblée législative de l'Ontario

Deuxième session, 40^e législature

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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 8 October 2013

Mardi 8 octobre 2013

The committee met at 0901 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): We are here to resume the consideration of the estimates of the Ministry of Tourism, Culture and Sport. There is a total of 1.42 hours remaining. When the committee was adjourned, the official opposition had eight minutes remaining in their rotation. However, when we adjourned last week, we were considering Mr. Leone's motion, so we must first dispose of the motion before we resume the review of the estimates of the Ministry of Tourism, Culture and Sport.

Is there further debate on the motion? Everybody still has the motion in front of them? Okay. I'm going to read it into the record so that there's no confusion.

Mr. Leone moved that the Ministry of Tourism, Culture and Sport release all correspondence delivered to the Ministry of Tourism, Culture and Sport, the Minister of Tourism, Culture and Sport, and the Pan Am and Parapan Secretariat related to the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates by 12 p.m. Thursday, October 17, 2013.

Ms. Dipika Damerla: Chair?

The Chair (Mr. Michael Prue): Yes, Ms. Damerla.

Ms. Dipika Damerla: We have an amendment to propose to that motion.

The Chair (Mr. Michael Prue): If you have an amendment, please put it forward.

Ms. Dipika Damerla: The amendment to the motion tabled would be this. I move that Mr. Leone's motion be amended as follows: that the words "related to the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates by 12 p.m. Thursday, October 17, 2013" be removed and replaced with "from January 1, 2012, to October 3, 2013, related to the provincial funding of the 2015 Pan Am and Parapan Games, as soon as possible."

The Chair (Mr. Michael Prue): Okay. Having reviewed it, it appears that the amendment is in order, so we will proceed on the amendment. Any discussion on the amendment?

Ms. Dipika Damerla: We believe that this amendment is really important because we believe that the original amendment, as proposed by Mr. Leone, was nothing but a fishing exercise. It was unreasonable; the

time frames were very unreasonable. And it would really take the focus of our officials away from the games, which is really what we are here for. We've all agreed in the past. I think MPP Jackson has said categorically that he'd like nothing more than to see the games succeed, and if you want the games to succeed, we need to make sure that the Pan Am officials can continue working on the games. Of course, we support any reasonable request for information, but we do believe that the time frames, as proposed by Mr. Leone, are quite unreasonable and that the time frame that we are suggesting is much more focused and much more relevant. It actually relates to what needs to be done. And so, Chair, we really think that this is a very, very important amendment.

If we can't go forward with this amendment, it will be very difficult for the bureaucrats to do what they need to do to ensure that the games are successful. We do believe that it is important to narrow down the time frame as it relates to the actual funding of the Pan/Parapan Am Games from the province and not the broader one as was originally requested by Mr. Leone.

Chair, it is really frustrating for us to see that there's an environment here where it's really—it's not a collaborative environment. The goal here isn't to get to the bottom of the estimates. What we really see here is a concerted attack by the opposition. It's really unreasonable, and what we really need to see is more collaboration and working together to get information that is really relevant to the proceedings and relevant to the estimates to go forward with the estimates. But to continue with these unreasonable requests for information, I think, Chair, is a waste of everybody's time, especially taxpayer money. I really do believe that this is a very important amendment and I look forward to further discussion. I'd like to turn this over now to my colleague MPP Colle, who might want to say a few words.

The Chair (Mr. Michael Prue): I don't have any other speakers, so I'll allow that, but usually it's the Chair who chooses who is next.

Ms. Dipika Damerla: Sorry.

The Chair (Mr. Michael Prue): Mr. Colle.

Mr. Mike Colle: Good morning, everybody. I think the original amendment is a request for information, a request for all related documents, which is supportable. It's just that I think my colleague's amendment is asking for a more reasonable time frame so that the public servants in the ministry can get the information required

in a reasonable manner, and we will get the information required.

The thing is, it depends on how much longer the minister is going to be here and the sequencing of time between the time the ministry and the staff are here and in terms of when we get this information, then what this committee does with the information. I think, in the amendment by my colleague, she's just asking for a time frame that is much more reasonable and much more fair. I don't see any reason why the committee can't consider this reasonable amendment by my colleague and see if we can get the information in a more appropriate time frame.

The Chair (Mr. Michael Prue): Further debate? Seeing no further debate, we'll call the question. All those in favour of—

Ms. Dipika Damerla: Chair? Sorry, I'd like to ask for a 20-minute recess before the vote.

The Chair (Mr. Michael Prue): It is in order prior to a vote.

Mr. Rob Leone: Karma.

Mr. Rick Bartolucci: Karma.

The Chair (Mr. Michael Prue): Before I do this, is it likely—can I just seek your indulgence?—that at the end of the 20 minutes and after the vote we are going to proceed, or should I have the minister and his staff return in the afternoon?

Mr. Rob Leone: Chair, we're prepared to vote.

Ms. Dipika Damerla: Chair, we'd like a recorded vote on the amendment.

Mr. Mike Colle: First, let's have a recess.

The Chair (Mr. Michael Prue): Okay, I'm just trying to be fair to the staff, because if we're not going to deal with them at all this morning I would just ask them to come back this afternoon, but it appears we may get to it. Therefore, we are recessed for 20 minutes at the request of Ms. Damerla. Everybody be back here at 9:30 sharp.

The committee recessed from 0910 to 0930.

The Chair (Mr. Michael Prue): I call the meeting back to order. We will now proceed with the vote. Everybody has a copy of the amendment in front of you.

All those in favour of the amendment, please?

Mr. Dickson, I don't believe you're able to vote.

Mr. Joe Dickson: You're right. I'm just so used to putting my hand up.

The Chair (Mr. Michael Prue): All right. Okay.

All those opposed?

Okay, it's up to me again.

I'm not going to support the motion. We have a motion in front of us. It's my duty to proceed, since there is no unanimity or even consensus among those present on the committee. I'm going to vote against the amendment and revert back to the main motion.

Another problem I do have personally is that it was open-ended. The "as soon as possible" did cause me some problem.

Be that as it may, I'm casting my vote against, as I'm required to do as the Chair, and we'll proceed to the main motion.

Further discussion on the main motion? Ms. Damerla.

Ms. Dipika Damerla: Chair, I'd actually like to propose another amendment.

The Chair (Mr. Michael Prue): You have another amendment?

Ms. Dipika Damerla: Does everybody have copies? All right.

I move that Mr. Leone's motion be amended as follows: that the words "related to the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates by 12 p.m. Thursday, October 17, 2013" be removed and replaced with "from January 1, 2012, to October 3, 2013, related to the provincial funding of the 2015 Pan Am and Parapan Games, by Tuesday, November 5, 2013."

Chair, as you can see, this amendment does address the concern that you just raised about the "as soon as possible." We replaced that with a firmer date of Tuesday, November 5, 2013.

But I have to say, to go back to the issue of Mr. Leone's original amendment, that it is really unreasonable to expect our hard-working—

The Chair (Mr. Michael Prue): No, I don't want to hear any argument yet. The members do not have a copy of the amendment.

I'm going to have to recess, I think, for five minutes in order that copies be made available to all members. Please don't go too far. Once we have that, I will recognize you first to speak.

The committee recessed from 0932 to 0937.

The Chair (Mr. Michael Prue): I call the meeting back to order.

Ms. Damerla, the floor is yours.

Ms. Dipika Damerla: Thank you, Chair. Now that everybody has the amendment—and I apologize for not providing them—as you can see, this amendment actually improves upon our previous amendment and addresses the concern that you had raised around the "as soon as possible." That has now been replaced by the date "Tuesday, November 5, 2013," which we believe is a much more reasonable date. The original date, as proposed, Thursday, October 17, 2013, was very unreasonable for our hard-working bureaucrats.

The point, Chair, is that these bureaucrats, these members of the Ontario public service, have a very important job to carry out, and that is to ensure that the games continue to be on budget. One of the wonderful things about these games is the fact that the games are on budget and are going to come in under budget.

Mr. Paul Miller: Mr. Chair, a point of order.

The Chair (Mr. Michael Prue): On a point of order, Mr. Miller.

Mr. Paul Miller: Mr. Chairman, with all due respect, all they changed was one date: Tuesday, November 5. That's all they changed. It's exactly the same except for one date.

I believe, Mr. Chairman, with all due respect, this is a stall tactic, and this is basically just playing games here.

The Chair (Mr. Michael Prue): No, no. I have to state that the motion is significantly—or not significantly, but it is different enough to qualify as a new amendment.

Mr. Paul Miller: One date?

The Chair (Mr. Michael Prue): It's not the same as the old one—yes.

Mr. Paul Miller: It's exactly the same except for "Tuesday, November 5."

The Chair (Mr. Michael Prue): That is correct, and that is changing the amendment.

Mr. Paul Miller: Okay. If you've ruled that way, that's fine, but it's very disappointing, and this is just stalling.

The Chair (Mr. Michael Prue): I will recognize you to speak next if you want to speak to that, but right now the floor is Ms. Damerla's.

Ms. Dipika Damerla: Thank you, Chair.

As I was saying, one of the really impressive things about these games is the fact that they're going to be coming under budget. Now, this is something no other jurisdiction that has put up any kind of games of any kind of scale has ever accomplished, and so we here should be so proud that here is a minister under whose leadership these games are—

Mr. Rob Leone: Point of order.

The Chair (Mr. Michael Prue): On a point of order, Mr. Leone.

Mr. Rob Leone: I'm not really sure what this has to do with the motion.

The Chair (Mr. Michael Prue): Well, it's straying a little, but I was giving some latitude for her to get to the point.

The point is your amendment, not on the pride of the Pan/Parapan Am Games, so please, to the amendment, why this is a good amendment, because that will help with the proceeding.

Ms. Dipika Damerla: Thanks, Chair. I was actually just trying to explain why it's important to give the bureaucrats more time, so that they continue to focus on these games. The point I was trying to make is, given that these games are coming under budget, on time, something that no other jurisdiction—

Mr. Paul Miller: Mr. Chair, on a point of order.

The Chair (Mr. Michael Prue): On a point of order, Mr. Miller.

Mr. Paul Miller: The speaker is assuming that it's on target, and we have already proven there are problems, so that's kind of like a false statement. Let's talk about the motion. I don't want a history about how wonderful everybody is.

The Chair (Mr. Michael Prue): Mr. Miller, you can't accuse a member of a falsehood in this committee any more than you can do so upstairs, so I would like you to withdraw that.

Mr. Paul Miller: Okay, I withdraw.

The Chair (Mr. Michael Prue): The second thing: Ms. Damerla, his second point—please, I understand what you're trying to say, but—

Mr. Rick Bartolucci: Paul, you dropped something.

Mr. Paul Miller: It's my crying towel.

The Chair (Mr. Michael Prue): The issue here is the amendment. The amendment is different in that it has a date; perhaps you could talk about that or something else within the amendment that was not covered the last time.

Ms. Dipika Damerla: Thank you, Chair. The reason we changed the amendment was to clarify, because as you yourself pointed out, you're not comfortable with the wording "as soon as possible," and so we have changed it to "November 5, 2013," which gives the bureaucrats some more time. The reason this is important, and this is what I have not been able to express, is it's really important to express why we need to give bureaucrats a reasonable amount of time. That is because they are working very, very hard to make sure that the games are pulled off in a manner that showcases Toronto in the best possible light. So they have a heavy, heavy workload, and that's the point that I was trying to make when I was interrupted.

I hope that the committee will understand and appreciate the need for this important change in date, and I look forward to your support.

Mr. Mike Colle: Mr. Chair?

The Chair (Mr. Michael Prue): Mr. Colle—oh, excuse me, I did offer the opportunity to Mr. Miller, if he wanted to actually speak to the motion, to go next.

Mr. Paul Miller: There's nothing to say, Mr. Chair.

The Chair (Mr. Michael Prue): Okay, then Mr. Colle.

Mr. Mike Colle: The motion is basically asking for a couple of weeks' difference, from as soon as possible to November 5, which I think is a reasonable time. It's not unreasonable.

Basically, when you look at it, I've been trying to figure out the complexity of all these boards, the secretariat, the relationships, who's answerable to whom, trying to weave our way through it. We're dealing with three levels of government that have their hands in this. I don't even know, federally, who's responsible or who's involved. I have no idea, yet they're a \$500-million partner, I think. I don't know how many municipalities are involved in it; I know Toronto is and Hamilton and Milton. So I point that out because it involves them trying to get all this information that flows back and forth between everybody and all the different levels of government.

The private sector is involved in it, too. How do we get their information and their correspondence back and forth with the ministry?

Then you've got a unique entity here that is the neither a government board or agency; it's a hybrid. It's a one-time thing. I don't know if we've ever had an Olympic or a Pan Am—I don't think we've ever had it in Ontario—

Mr. Paul Miller: Hamilton 1936.

Mr. Mike Colle: Okay, so we have to go back to 1936 in Hamilton, and Torchy Peden was probably involved in that one there. Only you would know who Torchy Peden is. He was a great cyclist, I think, Torchy was.

But anyway, I'm pointing that out in terms of the complexity of trying to get all this information from all these interwoven levels of government and the private sector, this unique model.

I'm very anxious, also, to get an org chart, which I've asked for from research, and we still haven't gotten that, to see how these different secretariats and the committee and the ministries—federally, provincially, municipally—involve themselves in this flow of information, so we can get that information. I have no idea because I haven't gotten the org chart yet.

I'm also looking to see who are the people, these mystery people, who are on the secretariat? Who are they? I have no idea who they are.

As I'm saying, if they can't even get us that kind of information, and we're trying to say, "Hey, give us all the correspondence," it just tells me we need a reasonable time frame. That's what this motion really does. It goes to November 5 to get the information before this committee so we can see all the documentation asked for by Mr. Leone, "correspondence delivered to the Ministry of Tourism, Culture and Sport, the Minister of Tourism, Culture and Sport, and the Pan Am and Parapan Am Secretariat, related to the 2015 ... Games, from January 1, 2010...."

I want to see a complete list. I want to see all the correspondence between the federal, provincial, municipal and private sectors, all that information flowing back through the ministry. That's what should be before the committee to give us a total context. If we're going to do this properly and we're going to ask the staff, who have to do the heavy lifting here, to do it properly, I think it's a reasonable consideration and I think the date is not a date far off. It's November 5 in the motion, right?

Ms. Dipika Damerla: Yes.

Mr. Mike Colle: That's what I think. It's a most reasonable amendment for this committee to consider in the fullness of time. Thank you very much.

The Chair (Mr. Michael Prue): Just for my own edification and clarity to the other committee members, you did state that you wanted to see all of the documentation from the private sector, from the feds, from the province. The amendment limits it to provincial funding only. Therefore, I don't know—I just want you to be clear on what you're voting on. That's all.

Mr. Mike Colle: A point of clarification on that: As you know, I've raised this before. Mr. Chairman and to the Clerk, if it relates to provincial funding—I mean, the funding is an equal funding in many ways, so how can you separate the provincial funding by itself since it's all contingent on partnership funding? That's the only thing. To me, either it is an entity by itself, or somehow, how we can segment out the province's role and the province's powers in this, and the province's finances by themselves—I find that quite perplexing, to separate the province out by itself, just because of the associations, financial and otherwise, that exist. And the board is made up of people of the city, the municipal sector, provincial and federal. I just find it troubling to try to get the whole picture unless we have the relationships in this whole thing. That's all.

The Chair (Mr. Michael Prue): And I can understand that. I assume, then, you're speaking against the amendment.

Mr. Mike Colle: No, no, in favour—I'm in favour of changing the date.

The Chair (Mr. Michael Prue): Okay. Mr. Bartolucci.

Mr. Rick Bartolucci: Thanks, Mr. Chair. I'll keep my remarks very, very short.

I was subbed in this morning, and I come here, I think, with a very objective point of view, and not a subjective point of view. I had very little trouble with "as soon as possible." However, that has gone through its due course. But I think we should learn from history, or else we could repeat it. I would think that to put a specific timeline on this that will allow the bureaucrats to do a complete job, a thorough job, not leaving any points out etc.—and we can expand on that, but we won't, because that would just be wasting time—I see this amendment, from a very objective point of view, as a way of accomplishing what Mr. Leone wants more thoroughly.

I always look at an amendment to any motion as strengthening that motion. If it weakens the motion, then in my world, it's not a good amendment. This amendment, I think, strengthens the call for what the original member, Mr. Leone, wanted, so I see it as good.

I don't know how this is going to unfold in a vote, but I do know one thing for sure: one, two, three, four, five, six, seven, eight, nine, 10 members are sitting here; a minister is sitting here; a bunch of bureaucrats are sitting here; all of whom—we understand we're on this committee, that's our job—could be doing something far more productive for the people of Ontario.

I'm suggesting that the motion is not unreasonable, that it allows, in a very real way, the bureaucrats to have a specific timeline, but a timeline that will allow for thoroughness so that we're not leaving out any points that are relevant with regards to provincial funding of the Pan Am Games. So I see it, Paul, to disagree with you a little, as more than just a date. I see it as a date that will bring about the desired ends of the original motion.

0950

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: First of all, Chair, thanks for the opportunity. But for Mr. Colle, we actually do have available some org charts, a list of bureaucrats. We can even tell you how much they've made. So if you would like some of that information that we have, we'd be happy to—

Mr. Mike Colle: That's why I'm surprised I wasn't able to get it when I asked—

Mr. Rob Leone: We'd be happy to share it with you, if that's something that you would be interested in.

Mr. Mike Colle: Yes, I would.

Mr. Rob Leone: Mr. Jackson has done, I think, a tremendous job compiling all this information.

Mr. Mike Colle: I'd love to see that.

Mr. Rob Leone: Secondly, I think we're all focused on—I'm going to speak very briefly as well. I think we should get on with the motion and the vote. But two

things: I think we're focused almost exclusively on the Tuesday, November 5, date, but we're ignoring what I think is the much more fundamental change to this motion, which is shortening the time frame from January 1, 2010, which the original motion stated. The new amendment is proposing a date of January 1, 2012. In order to make a full, thorough investigation of what we're looking at—actually, this amendment does weaken the main motion. It takes two years out of the investigation of what we're trying to undercover. So this, at the end of the day, I would suggest, weakens the motion to an intent that does not allow us to get the answers. We have two years of questions that we have to debate, and I think that's important to note.

Secondly, on the November 5, the reason why we chose October 17 originally was because we wanted to provide enough timeline, consistent with other motions that we've presented in estimates previously. It was a two-week turnaround. I understand the point made by the government, that we want to focus on making a great games. Well, wouldn't getting this deadline out of the way allow everyone else to focus, for the remainder of their time, on making this a great games? That's why I say shorten the timeline. Make sure it's a date that's reasonable. I'm not suggesting that we can't be more reasonable on the date, but I would say absolutely that we have to maintain the integrity of the motion when we're calling for documents from January 1, 2010, to October 3, 2013, rather than amending it as this amendment does. That is, I think, the biggest part of this amendment that I have some serious objection to.

The Chair (Mr. Michael Prue): Mr. Miller and then Ms. Mangat.

Mr. Paul Miller: Yes, thank you, Mr. Chairman.

In reference to the comments, I think the timeline was set because there were certain things that went on that we want to get to the bottom of. Shortening the time element certainly may help the bureaucrats with less work, but it certainly won't expose—if there were any improprieties done or anything that happened in that period before that, it should be brought to the attention of the public as well as this Legislature. By limiting the time on your amendments, you are cutting down our research and cutting the area that we want to look at, for obvious reasons.

So I think there's a lot more there, and there is more coming out every day, in the period that you want to eliminate. I am not in favour of that. If there's a mistake, if something was done wrong, the people of this province have a right to know, and we have to get to the bottom of it, just like Ornge, just like eHealth, just like the gas plants. They have a right to know, and I am not going to limit our research people, I'm not going to limit the opposition's ability to dig into areas that should be dug into, and I'm not going to expedite the process just to suit one party because they don't want to be exposed for whatever reason. So I am not going to support that at all.

The Chair (Mr. Michael Prue): Ms. Mangat.

Mrs. Amrit Mangat: Thank you, Chair. Picking up where my colleague Paul Miller left off, yes, we all want

to get into the depth of the information. The name of the game is to know everything that is going on. The request which has been put up by my colleague Dipika is fair and reasonable.

The next thing is that this committee is looking at this year's estimates, not 2010. So in my opinion, this is outside the purview of this committee. It's a fair amount of time which we are asking, it's reasonable, so it should be granted. Thank you.

The Chair (Mr. Michael Prue): Further debate? Further debate? Ms. Damerla.

Ms. Dipika Damerla: Chair, if there's going to be no further debate, we'd like to ask for a 20-minute recess before the vote.

The Chair (Mr. Michael Prue): All right. It's right prior to the vote, so she's entitled to that request. We are recessed for another 20 minutes. We will commence promptly at quarter after 10.

Interjections.

The Chair (Mr. Michael Prue): I'll take that back. Mr. Bartolucci?

Mr. Rick Bartolucci: And you know what—and rule me out of order, if you want, Mr. Chair—by the time we come back, it's going to be a quarter after. We have a whole bunch of people sitting here. It's not a good use of their time. Are we ever going to get to them today? Because if, in fact, there's going to be another amendment, that's going to rule out the possibility.

The Chair (Mr. Michael Prue): I have no idea whether this amendment will pass or not pass, and I have no idea if there's another one to follow it.

Mr. Rick Bartolucci: I understand.

The Chair (Mr. Michael Prue): I do know that Mr. Leone has eight minutes, which, if we vote—there would be about eight minutes left for his questioning, but I have no idea whether we're actually going to get to him.

Mr. Rick Bartolucci: Okay. All right.

Ms. Dipika Damerla: Chair, I just wanted to say that if the vote doesn't go through, we do have other amendments.

The Chair (Mr. Michael Prue): All right. That being the case, if this vote does not go through and there are other amendments, I would suggest that the staff and the minister are free to go, but please return this afternoon at 3:45.

We are now recessed until about 17 minutes after 10.

The committee recessed from 0957 to 1017.

The Chair (Mr. Michael Prue): Okay, the meeting is now resumed, and we're going on to the vote, which is the amendment by Ms. Damerla. All those in favour of the amendment? All those opposed to the amendment? Okay, thank you.

It is my job, again, to try to determine what is the best thing for the committee to do. I've had a chance in the last 20 minutes to consider what the arguments were. I was particularly persuaded, actually, by three arguments: the one made by Mr. Colle, the one made by Mr. Leone and the one, in fact, made by Ms. Mangat. They all made good points on this.

It is the Chair's responsibility to ensure that we proceed forward. It is the Chair's responsibility to make sure that there is always the motion forward, so even if this one fails, I'm given to understand that there will be another one and perhaps another one after that. We also have the main motion by Mr. Leone.

I am inclined not to support this. I am satisfied that the November 5 date might be right, but the statement made by Mr. Leone, that he is looking for—his original motion, intended to look for documents going from January 1, 2010, has been significantly replaced by one of January 2012, cutting out some two years of documents, which all members are entitled to have.

The point made by Ms. Mangat was that it's within the body of the estimates, although we have in this committee in the past gone outside the estimate period, where it is a long-going action. I'm thinking mostly back to the power plants. We went beyond the estimate period and went back years before that, when it was first funded. But her point is a good one.

Last, but not least, Mr. Colle made a very important point about the provincial funding aspect of this particular amendment. Although he was speaking in favour of the amendment, his arguments were very much opposed to the amendment because what this does in fact is limit the scope of what is being requested in Mr. Leone's original motion to those only related to provincial funding, whereas Mr. Leone's was to all documentation and would include those things from the private sector, the federal government and others.

I'm afraid I can't support the amendment either, and so the amendment fails.

Ms. Damerla, you have another one?

Ms. Dipika Damerla: Yes.

Mr. Rob Leone: Mr. Chair, point of order.

The Chair (Mr. Michael Prue): Point of order.

Mr. Rob Leone: Perhaps it would be helpful, if the governing party has a series of amendments, to table them all at once for our consideration.

The Chair (Mr. Michael Prue): It may facilitate, but Ms. Damerla is under no obligation to do so.

Ms. Dipika Damerla: Chair, if I may say so, the amendments really depend on the discussions; we endeavour to improve with every amendment. You can't just table all of the amendments together, because they sort of arise from how the proceedings play out.

The Chair (Mr. Michael Prue): All right. Ms. Damerla, the floor is yours.

Ms. Dipika Damerla: Thank you, Chair. I move that Mr. Leone's motion be amended as follows: that the words "related to the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates by 12 p.m. Thursday, October 17, 2013" be removed and replaced with "from January 1, 2010, to October 3, 2013, related to the provincial funding of the 2015 Pan Am and Parapan Games, by Tuesday, November 12, 2013."

I do have copies of the amendment here for the Clerk.

Mr. Paul Miller: Point of order, Mr. Chair: Listen, this is silly. She did one week; now she's moving in another week. It's the exact same discussion as the last two. With all due respect—

The Chair (Mr. Michael Prue): First of all, I'm not going to hear any argument until everybody has a copy in front of them.

Mr. Paul Miller: She just read it.

The Chair (Mr. Michael Prue): I know. She changed the week at the end, but she also changed her amendment from the last one by moving it back to 2010.

Mr. Paul Miller: It's the same as the last one.

Mr. Rick Bartolucci: No, it's not.

The Chair (Mr. Michael Prue): No, it was 2012.

Mr. Paul Miller: That's not what she read.

Mr. Mike Colle: We added the years.

The Chair (Mr. Michael Prue): The two years have been added back in. It is different. It's not hugely different, but it is different.

Mr. Paul Miller: So why did we take the two out in the first place?

Ms. Dipika Damerla: When I have the floor, I'll explain it.

Mr. Paul Miller: I'd like to hear that.

The Chair (Mr. Michael Prue): All right, I'm going to give the floor back to Ms. Damerla. But we only have about two minutes and then we're going to have to recess until this afternoon so that we can all be up in question period. Ms. Damerla, the floor is yours until the bell rings.

Ms. Dipika Damerla: Thank you, Chair. As you can see, we endeavour to please you. You were not happy last time with the "as soon as possible," so we changed it to November 5. Then later on, you expressed some concerns around the time frame and suggested that the time frame we had suggested in our previous amendment wasn't broad enough, so we have actually gone back to the original, broader time frame.

I personally do believe that it's a fishing expedition, and I feel that if the members opposite want to fish so much, I'd welcome them to Port Credit. It has the best salmon fishing. I'm serious about that: It really does have the best salmon fishing in Ontario.

Mr. Paul Miller: Yeah, we'll get some mackerels. That's for sure.

Ms. Dipika Damerla: No, you'll get some really good Atlantic salmon, if that's what you want to do.

But to fish over here and waste everybody's time is unconscionable. However, just to make the committee move forward, we've come to this compromise, and we are suggesting—

Mr. Paul Miller: Rag the puck. You should have been a hockey player.

Ms. Dipika Damerla: I can try.

If you want to go back to the original, broader time frame that Mr. Leone had asked, then we suggest that it would be a fair compromise to at least extend the time frame now from November 5, 2013, to November 12, 2013.

Chair, I always tell my daughter that it's important not to set yourself up to fail, and it's really important to be fair. We have to be fair to our officials and give them a reasonable time.

If you really want estimates, if you really want this information around provincial funding from January 1, 2010, to October 3, 2013, as opposed to the more focused period, which is what we believe is the meat and potatoes—if you really do want that broader one, we will—I think it is fair to the Ontario public service that we give them more time. The October 17, 2013, deadline is just unreasonable. It's trying to set them up to fail, and that is completely unfair.

I know that Mr. Leone used to be a professor, I believe. You never want to set your students up to fail. You've got to give them a framework to do the job well. So it's really important, Chair, that this timeline be respected. I think we have met more than halfway. Our preference would be for a more focused look. We've agreed to a broader framework, so we hope that the opposition will meet us halfway. It's really not about meeting us halfway but ensuring—

Mr. Paul Miller: Move for adjournment.

The Chair (Mr. Michael Prue): Okay, I'm going to have to cut you off there. I will come back to you when we come back this afternoon, back to Ms. Damerla. A couple of points: As a fisherman, I want to tell you that those are not Atlantic salmon that are caught out in the lake; they are Pacific salmon.

Ms. Dipika Damerla: No, it's Atlantic.

The Chair (Mr. Michael Prue): No, they are Pacific salmon. I want to guarantee you they are Coho. They are Pacific salmon.

Ms. Dipika Damerla: They have been restocked with Atlantic salmon.

The Chair (Mr. Michael Prue): No, no. Okay, but—

Mr. Mike Colle: Can we have research verify that?

The Chair (Mr. Michael Prue): Yes, you can have research verify it. I know exactly what they are. They're transplanted. But we will be back.

As well, if I could, before I bang the gavel, Mr. Jackson, you have documentation that was alluded to. I think all members of the committee would like to see that, which I think were the org charts and the names. I think Mr. Colle had a good point; he wanted to see those. All members will have those by the time we resume this afternoon.

We stand recessed until this afternoon at approximately 3:45.

The committee recessed from 1026 to 1603.

The Chair (Mr. Michael Prue): Okay. We are now into orders of the day, so we can commence.

When the committee recessed this morning, the members were considering Ms. Damerla's amendment number 3. Ms. Damerla has the floor.

Ms. Dipika Damerla: Thank you, Chair. As I was saying earlier, the more reasonable approach would have been for the opposition and for Mr. Leone to have asked for documents in a more focused time frame. If from that

a need would have been felt to broaden the scope, surely we could have done that, but there seems to be some insistence that from the get-go they wanted a very broad scope.

In the spirit of compromise in accommodating the opposition, because we want to make this committee work, we have now amended our amendment to go back to the original motion, which would allow for the documents to be from January 1, 2010, to October 3, 2013. But given the broad scope of these documents, what we are saying, Chair, is that the deadline as proposed by Mr. Leone of October 17 is just not practical.

I have to say that I'm a little disappointed at this fishing expedition approach—

Mr. Rob Leone: Point of order, Chair.

Ms. Dipika Damerla: —I think all that—

The Chair (Mr. Michael Prue): Hold on. We have a point of order. The point of order is?

Mr. Rob Leone: Maybe just a point of clarification, but—

The Chair (Mr. Michael Prue): No, no, just a point of order.

Mr. Rob Leone: Is there a withdrawal of the amendment? Is that what we're talking about now or—

Ms. Dipika Damerla: No.

The Chair (Mr. Michael Prue): No, no. This is an amendment on your desk, item number 3.

Mr. Rob Leone: Okay.

The Chair (Mr. Michael Prue): The changes, I believe, that Ms. Damerla is talking about are going back to the original date, January 1, 2010.

Mr. Rob Leone: Oh.

The Chair (Mr. Michael Prue): Which was in your motion.

Mr. Rob Leone: Thank you. I was confused.

Ms. Dipika Damerla: Okay.

The Chair (Mr. Michael Prue): Please proceed. That's not a point of order, so therefore back to you.

Ms. Dipika Damerla: Given the broad scope and the timeline, we feel that the five working days—Chair, that's what it would allow. If you were to start counting from tomorrow, it would give the Ontario public service just five working days to get documents spanning over three years.

Now, Mr. Leone, if you were to go and ask any of your constituents in Cambridge, "Is this a reasonable time frame, five days?" my guess is most of them are going to say that's not reasonable. It's just not practical, and that's the reason we are suggesting that we move the date to Tuesday, November 12, 2013. It's still a very aggressive deadline, but I think it is something that we can work with, because I feel that we have a responsibility here to be responsible and find a balance between the need of legislators to hold government to account—I completely respect that, and I want accountability myself—but also to ensure that the burden we put on the Ontario public service is not excessive, which is what this five-day period would do.

I don't think any reasonable person, any reasonable Ontarian, could demand of any set of officials that, over a five-day working period, they come up with all these documents that span nearly three years.

It is this that disappoints me, Chair, this aggressive deadline. It suggests to me that there's some political point-scoring taking place, almost setting us up to fail. Scoring at the cost of taxpayers impresses no one, least of our constituents, and that includes the constituents of Mr. Leone, Mr. Harris, Mr. Jackson, Mr. Nicholls and Mr. Miller.

So I think we owe it to the Ontario taxpayer to ensure that the time of the Ontario public service is used in a balanced manner and that we take a balanced approach. We don't go on fishing expeditions. Instead, we try and hold the government to account—

Mr. Paul Miller: Point of order, Mr. Chairman.

The Chair (Mr. Michael Prue): Point of order from Mr. Miller.

Mr. Paul Miller: She's talking about fishing and mentioning all the members who are asking for information that's pertinent to our whole situation here. She's trying to minimize the content of what we require to do our job. I kind of resent that. So stick to the agenda.

The Chair (Mr. Michael Prue): Okay. It is not a point of order, but you have made your statement.

Please continue, Ms. Damerla, and on the topic—you've been fairly good so far—of your amendment.

Ms. Dipika Damerla: I was just trying to explain to this committee why we think it's really important to move the deadline from October 17, 2013, to the one we are proposing, which is Tuesday, November 12, 2013. It was in this context that I had invoked the names of some of the committee members. Certainly no disrespect intended, and certainly not trying to speak off topic.

At this point, Chair, I've sort of made my point as to why we think we need to extend the timeline. I think we've been really, really reasonable because we are agreeing to the broader scope, even though we are not sure that at this point it merits that. Our preference would have been to start off with a narrower scope for the documents that are being asked for in terms of the timeline and then to later broaden it if required. But in the spirit of co-operation, we are saying, okay, we'll go with the broader scope, but let us give the bureaucrats enough time to do a good job.

The Chair (Mr. Michael Prue): Further debate? Ms. Jaczek.

Ms. Helena Jaczek: I'm just coming to this perhaps with fresh eyes to look at both Mr. Leone's original motion and now Ms. Damerla's amendment. Looking at this time frame, which obviously is the subject of the amendment, it seems to me that the request that we're making is far more reasonable in terms of the potential volume of material.

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As I understand it, it's that the ministry should release all correspondence delivered to the ministry over a three-year period—almost three years. To expect that these

documents could be provided within, as Ms. Damerla said, five business days, is, I think, completely unreasonable. Having had the experience of sitting on public accounts, where we've been looking and asking for correspondence related to the Ornge issue, and also my experience sitting on social policy as it relates to diluted chemotherapy, our committee has been able to come to some sort of reasonable accommodation in terms of what may be within some business practice in terms of searching records and providing them. I would say that I'm totally supportive of my colleague's comments made this afternoon, that changing the deadline for the production of these documents to Tuesday, November 12, 2013, seems to me a far more reasonable request of the ministry.

First of all, is it physically possible? I don't know if we've heard anything back from the ministry in terms of their opinion, but certainly I think any reasonable person who has had some experience in requesting correspondence and with a desire to have all the correspondence would agree that the ministry should be allowed to have several more weeks in order to accommodate the request. Thank you, Chair.

The Chair (Mr. Michael Prue): Further debate? Ms. Mangat.

Mrs. Amrit Mangat: Thank you, Chair. I said in the morning session as well that this time extension should be given. I'm sure all the members have this chart on their desks, which says "Pan/Parapan"—

Interjection.

Mrs. Amrit Mangat: This one. I'm sure you all have it. It looks so complex, and the time we are asking for is a very genuine request. It should be given. I reiterate my words from this morning that it must be removed and replaced with "from January 1, 2010, to October 3, 2013," and a grant must be given by November 12, 2013, looking at the complexities of the issues. We are discussing the Pan/Parapan Am Games, which will strengthen our economy. It will create jobs and it will showcase Ontario as the best place to do business, to invest in and to visit. I think that the request by my colleagues is a genuine one and that an extension must be given.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: Thank you, Chair. Just a few points of clarification. I do want the members of the committee to know that the reason why we selected Thursday, October 17 was that, at the time we tabled the motion, we were looking at it from a perspective of two weeks from that date, which was a standard practice of requests that we had made. We obviously have to put that into context with what's happening here, which is that we've moved a motion, recesses have been called, filibusters have emerged, and we're still considering whether the motion is actually going to see the light of day or not.

Even today, after spending a considerable amount of time discussing amendments and discussing the motion, we're still in a position where we don't actually have any degree of certainty as to the timeline.

The fact that they're now raising the point that it's five business days away is entirely their fault. We could have dealt with this a lot earlier and we would have been able

to have a two-week time frame, which has been the time frame we've put on other document requests that this committee has put forth. With the greatest of respect to the members opposite, I realize that they're trying to delay actually moving and voting on this motion. I realize that they probably don't want to discuss the estimates of the Ministry of Tourism, Culture and Sport today because of what's happened just down the hallway with the release of the Auditor General's report that has pegged the cancellation costs of the Oakville and Mississauga power plants at over \$1 billion.

We see here, I think, a continual attempt by the members of the governing party to delay these proceedings, and if that's the case, perhaps maybe they would entertain adjourning for the day and let's talk about the power plants, let that go forth, and we'll come back tomorrow.

That's what I think would probably be right, given the fact that we have numerous ministry officials here once again today. If, for whatever reason, you don't want to talk about the estimates today, then let's move this to tomorrow and not waste anyone's time.

The Chair (Mr. Michael Prue): I'm not sure what—you've made a suggestion, but you haven't made a motion—

Mr. Rob Leone: I'll move to adjourn.

Ms. Dipika Damerla: No.

Interjections.

The Chair (Mr. Michael Prue): First of all, under the rules of order that are extant, a motion to adjourn takes precedence over any other motion that's made. It is a non-debatable motion and it must be called immediately.

Interjection.

The Chair (Mr. Michael Prue): If you're seeking some clarification—I don't want debate on whether it's a good idea or not—

Ms. Dipika Damerla: Would it be possible to seek a recess before the vote on the adjournment?

The Chair (Mr. Michael Prue): It is a vote; yes, it is a vote. You're entitled to a 20-minute recess, if you want one, to determine whether or not to vote for adjournment.

Ms. Dipika Damerla: Yes.

The Chair (Mr. Michael Prue): Is that what you're seeking?

Ms. Dipika Damerla: Yes.

The Chair (Mr. Michael Prue): All right. We have a 20-minute recess on the motion of whether or not to adjourn. It's now 17 minutes after 4. Please be back at 4:37.

I would ask the minister and the staff to stay because I'm not sure where we're going here. If this motion passes, of course you can all go. If it doesn't, you may all go anyway because I have a feeling we may be here for a while.

We are recessed for 20 minutes.

The committee recessed from 1617 to 1637.

The Chair (Mr. Michael Prue): We will call the meeting back to order. We have a motion of adjournment. It is without debate.

Mr. Rob Leone: Recorded vote, Chair.

The Chair (Mr. Michael Prue): Okay. A recorded vote is in order.

Ayes

Harris, Jackson, Leone, Miller.

The Chair (Mr. Michael Prue): The motion carries. We are adjourned until tomorrow at approximately 3:45.

Just before everybody goes, a statement on the record: At 3:45, we're going to be back here. There is still one hour and 42 minutes remaining. Given the time, I am going to indicate to the Ministry of Health that they need not attend, because if we can finish tomorrow, that will leave only a very short period of time, not enough to start the Ministry of Health.

As long as everyone understands that, we will attempt to finish this ministry tomorrow. At 3:45, we have one hour and 42 minutes remaining. We have an outstanding amendment tomorrow under the name of Ms. Damerla, which we will start with. Hopefully, we can deal with it expeditiously and go on to the purpose of this meeting, which is to do the estimates of the Ministry of Tourism, Culture and Sport.

Meeting adjourned till tomorrow.

The committee adjourned at 1638.

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Second Session, 40th Parliament

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**Official Report
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Wednesday 9 October 2013

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**Standing Committee on
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Wednesday 9 October 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mercredi 9 octobre 2013

The committee met at 1615 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): I call the meeting to order. On the last occasion, there was a motion to adjourn, which was carried. At the time of adjournment, an amendment had been tabled by Ms. Damerla. You have that motion in front of you; it is labelled number 3. She had the floor, and she can continue to speak to the amendment.

Ms. Dipika Damerla: Thank you, Chair. I would like to actually amend my motion and just wanted to know—

The Chair (Mr. Michael Prue): You're making an amendment to the amendment. Okay.

Ms. Dipika Damerla: Yes. I just wanted your permission.

It's quite simple. The idea is that we want to make this committee go forward and find reasonable accommodation. We've been trying to do that many, many times, so we're going to try one more time to address the concerns and see if we can find middle ground and common ground.

We are suggesting that we take the word "provincial" out of the "provincial funding." The amendment would read—and I'm going to read the entire phrase—that the words "related to the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates by 12 p.m. Thursday, October 17, 2013" be removed and replaced with "from January 1, 2010, to October 3, 2013, related to funding of the 2015 Pan Am and Parapan Games, by Tuesday, November 12, 2013."

So, in a sense—

The Chair (Mr. Michael Prue): I've got to cut you off at that, because—there was a quorum call, and I had to suspend during the quorum call, but it has now been resolved. So now you can explain it.

Ms. Dipika Damerla: In a sense—

Mr. Rob Leone: Chair, can we have that amendment?

The Chair (Mr. Michael Prue): Yes, it will be given; there has been a request. All it is is the removal of the word "provincial." I don't know; do you want that in writing?

Mr. Rob Leone: I just want to make sure that we're talking about the same thing.

The Chair (Mr. Michael Prue): The only word change that I could see was the word "provincial"—

Ms. Dipika Damerla: Yes, "provincial" has been removed.

The Chair (Mr. Michael Prue): That's the amendment to the amendment: to take out the word "provincial."

Mr. Rob Leone: I must be looking at the wrong sheet of paper here.

Mr. Mike Colle: Do you want a five-minute recess to get the copies?

Mr. Joe Dickson: I just sent over my copy.

Mr. Rob Leone: That's it?

Ms. Dipika Damerla: Yes.

The Chair (Mr. Michael Prue): That's it. If you want a five-minute recess in order to get it copied with the word "provincial" taken out, we can do it, or if you're satisfied that's all the change is—

Mr. Rob Leone: If I'm assured that this is the only word change, I'm good.

The Chair (Mr. Michael Prue): That's it. You're good, okay.

Then please proceed with your explanation.

Ms. Dipika Damerla: I think it's pretty self-explanatory. What we're trying to do is find some common ground. We're hoping that by removing this word, we can all agree on this amendment. At this point, all that this amendment is really doing is asking for a reasonable time frame in which we can ask the Ontario public service to provide us with the documents. That's essentially what we've done, and if anybody has to say something—but that's it.

The Chair (Mr. Michael Prue): Are there further speakers to the amendment to the amendment?

Mr. Rob Leone: Chair, I'd ask for a recess just to consider this amendment, if that's possible.

The Chair (Mr. Michael Prue): Since you just got it, yes, I guess.

Mr. Rob Leone: I don't need too long; 10 minutes maybe.

The Chair (Mr. Michael Prue): Ten minutes, okay. It seems reasonable in the circumstance, a 10-minute recess, because it has just been tabled. We'll take a 10-minute recess so that all committee members can consider the impact of the removal of the word "provincial." We stand recessed for 10 minutes.

The committee recessed from 1619 to 1629.

The Chair (Mr. Michael Prue): The meeting is resumed. Any discussion on the amendment to the amendment? Mr. Leone.

Mr. Rob Leone: Thank you, Mr. Chair. I consulted with my colleagues on the PC side on the proposed amendments to the amendment. My concern, if I'm being perfectly honest and perfectly blunt, is that they've removed the word "provincial" from their amendment. What was added, from the original motion as I understand it, was related to the provincial—"provincial" is now removed—funding of the Pan Am and Parapan Am Games. They've included "related to the provincial funding of." My comments, Chair, are related to the fact that they are, in essence, adding that language, and I'm not sure why, and I'm kind of concerned about it, to be perfectly honest.

I think that in the grand scheme of things, what we've seen over the past is that wording changes, what's written in these motions, actually do matter. They take them quite literally. The spirit of what we're looking for is a complete disclosure of documents, and I don't want any wording change to limit the kinds of documentation that we are requesting in order to get some answers to questions that we have with regard to the costs of the Pan Am and Parapan Games.

So I'm concerned at the onset with the original amendment where they added that additional wording to the point where they might be using that language to exclude some of the information that we might be able to receive. Frankly, eliminating the word "provincial" from that, as the amendment to the amendment does state, does not negate that initial fear that adding that language is going to limit the kinds of documentation that we're able to receive.

So on the basis of that, Chair, I would suggest that this amendment to the amendment and the amendment itself—I'll probably speak to the amendment later—are not acceptable. I would suggest that, if members want to move ahead expeditiously on this, we have a vote on the main motion that I presented. I would be happy to talk about changing the date when we're requesting the documents. I know that we have been engaged in this discussion for some time. A week has passed since we first presented this motion. If we want to move that date a week further back, I'd be happy to entertain a discussion on that.

But at this point in time, Chair, I think we're dealing with the minutiae of amending for amendment's sake to waste time, to filibuster and to delay. What we should be doing is asking serious questions about the Pan Am and Parapan Games, Ministry of Tourism, Culture and Sport. His officials are here today to help us get some answers to questions that we have.

On the basis of that, I would say, Chair, that I am not in favour of this amendment to the amendment.

The Chair (Mr. Michael Prue): Ms. Damerla.

Ms. Dipika Damerla: Chair, I take exception to the fact that there have been suggestions made that we're filibustering. If anything, we've been trying very hard

with amendment after amendment to find common ground—

Mr. Rob Leone: You've got to be—

Ms. Dipika Damerla: Let me finish. What happened on October 2 was completely inexcusable—

Mr. Rob Leone: You've done far worse.

Ms. Dipika Damerla: There were four recesses asked for in a two-hour period. The opposition spoke for over—

Interjections.

Mr. Rob Leone: Point of order, Chair.

The Chair (Mr. Michael Prue): Hold on. The floor belongs to Ms. Damerla.

Mr. Rob Leone: And I have a point of order.

The Chair (Mr. Michael Prue): Point of order.

Mr. Rob Leone: According to standing order 23, I believe that member is impugning motive on other members of this committee, and I think she should withdraw those comments.

The Chair (Mr. Michael Prue): I'm sorry, I was briefly disengaged from what was—I didn't hear what was said. If the member has said something that imputes motive, it should be withdrawn, but I cannot say that I heard it because I was speaking with the researcher as to the purport of what was being suggested, what it meant. I leave it to you, Ms. Damerla. I did not hear it, so if you feel you have imputed motive, then please withdraw it. If you feel you have not, please continue.

Ms. Dipika Damerla: Chair, I did not impute any motive. I'll just continue to say that we have been trying very, very hard to make this work, and it's really important to find common ground. So we have broadened the scope by saying "all funding." If you just leave it very vague, then anything with just the word "Parapan" or "Pan Am"—that's millions and millions of documents. It's not a reasonable request. We're trying to find some common ground.

It was quite disappointing, I am going to say, on October 2, the way things dragged on, but that's done; let's move forward. If we need to vote on this amendment to the amendment to the amendment, well, we'll vote on it.

The Chair (Mr. Michael Prue): Any further discussion on the amendment to the amendment to remove the word "provincial"? That's all we're voting on. All right?

Okay. Not seeing any further discussion, all those in favour of removing the word "provincial"? Opposed? All right.

My discussion with the researcher, I think, has to be part of what I say here because the researcher was asking, I think quite legitimately, does removing the word "provincial" broaden the mandate of the committee and what the committee is asking for? My answer to him and my answer to you is, it broadens the mandate of the amendment; it does not broaden the mandate of the main motion. It actually limits the main motion. Because it limits the main motion, I don't see how I can support it. I can't because it's running contrary to what the main

motion is saying, I can't, so it fails. The amendment to the amendment fails.

So the amendment is now the subject, and the amendment will be "provincial funding." Further debate on the main amendment, on your papers number 3?

Seeing none, I'm going to call the question. All those in favour of amendment number 3, please signify. All those opposed? The vote was 4 to 3.

Interjection.

The Chair (Mr. Michael Prue): No, he did not vote. He did not. I'm sorry, he did not. The vote was 4 to 3, so that amendment fails.

We're on to the main motion.

Mr. Joe Dickson: Excuse me, Mr. Chair. I did have my hand up.

The Chair (Mr. Michael Prue): Excuse me—

Mr. Joe Dickson: If there's a certain height I should raise it, I'd be pleased to.

The Chair (Mr. Michael Prue): I looked over there. It was very clear that there were three hands up, and I looked back and asked for those opposed and then there were four hands up. I did not see your hand. I saw your hand after they had voted. I saw your hand up at that point.

Mr. Joe Dickson: I'm not pursuing it, Mr. Chair. I'm just speaking to it.

The Chair (Mr. Michael Prue): All right. You've made your point on the record. I did not see your hand up, nor do I believe it was up.

On to the main motion: Is there any further discussion on the main motion? Ms. Damerla?

Ms. Dipika Damerla: Chair, I'd like to propose an amendment to the main motion.

The Chair (Mr. Michael Prue): It is your right to do so. Please proceed.

Ms. Dipika Damerla: I move that the words "related to the 2015 Pan Am and Parapan Games, from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates by 12 p.m. Thursday, October 17, 2013" be removed and replaced with "from January 1, 2010, to October 3, 2013, related to the costs of the 2015 Pan Am and Parapan Games by 12 p.m. Tuesday, November 12, 2013".

I'm going to give the Clerk copies of the amendment.

The Chair (Mr. Michael Prue): Thank you. We're just going to take a moment. The Clerk had to go to make an additional copy. We want to make sure everybody has them.

All right I've discussed this very briefly with the Clerk. It seems to me that the difference in the wording between motion 3 and what is now amendment 4 is that the word "costs" has been substituted for the words "provincial funding" and/or "funding." That seems to be the only significant difference. I am not sure whether this, in itself, qualifies for a significantly different amendment, and I am going to seek advice from the Clerk herself as to whether or not this is a significant enough amendment to qualify as different from the previous amendment, upon which we have already voted.

We will take a 10-minute recess while we consult with the Clerk to see if this proposed amendment is in order. We stand recessed for 10 minutes.

The committee recessed from 1641 to 1651.

The Chair (Mr. Michael Prue): We'll call the meeting back to order again. Unfortunately, the Clerk was not available so I'm going to have to make the decision on my own, based on the actual wording. What has been substituted for the wording "funding," or "provincial funding," is "costs." Funding, in my mind, means from whence the monies come—where is the government getting the money from—whereas the cost relates more to where the monies are being expended. So you have two different sides. You have the first motion, which was saying where it's coming from, and now you have the new one, to where the money is going to be expended or spent. Therefore, I would have to say that they are different and would therefore, on number 4, ask Ms. Damerla to proceed.

Ms. Dipika Damerla: Thank you, Chair, for that ruling. Again, this amendment has been brought forward to try and find a common ground and reasonable accommodation. It's a reasonable amendment that is responsive to the concerns raised by the members of the committee. Mr. Leone had expressed that our date range of January 2012 to October 2013 was too limited, so in this amendment, as in our last one, we've modified this to reflect the original time frame. We still think it's unnecessary to have such a broad time frame, given that this committee should be looking at this year's estimates. However, we are trying to work with the members of the opposition.

The other issue is the scope. The Chair has suggested that perhaps the wording "provincial funding" in our last amendment was too narrow, so we've modified this to say "costs" of the 2015 Pan Am Games. This should alleviate concerns of members of the committee, while still keeping the motion focused on what this committee is looking at, and that is the estimates of the ministry. Mr. Leone's request for all correspondence related to Pan Am is overly broad.

Chair, I'm going to make a simple analogy to just try and explain what the concern here is. Let's just take random MPP X. When we want to get all the correspondence related to MPP X, we ask for correspondence that relates to MPP X as an MPP, but if we were to ask for all correspondence, that would mean your happy birthday email to your grandmother or your niece. That's irrelevant to the task at hand. To just ask for all correspondence is very unreasonable and to me suggests that the opposition doesn't know what they want. It truly is a fishing expedition.

The other issue is the time frame. Speaking of fishing expeditions, any fisherman knows that patience is the key to good fishing. If, indeed, all that the opposition is doing is fishing, looking for something—just fishing—well, have some patience and give the Ontario public service the time frame they need to do a good job. It's really costly to just say "all correspondence." Think about it: Anything with the words "Pan Am" would be captured

by this. What purpose does this serve? How does this serve the taxpayer? My suggestion is, if you don't know what you're looking for, think about it and come back with a more reasonable proposal, or work together. That's what we're trying to do.

As I've already said, the October 17 deadline is unreasonable. I think even Mr. Leone has now agreed that that is not a reasonable deadline; he suggested that earlier. That's the reason we are proposing November 12, a much more reasonable time frame. I think it is really, really important that we know what we're looking for, ask for it, and if after that, you still need more, we can always come back. The committee can always come back to ask for more.

But this is just unreasonable, the way the original motion was worded. I hope that this will be viewed as reasonable accommodation, and we can move forward. Thank you, Chair.

The Chair (Mr. Michael Prue): Further debate? Mr. Leone.

Mr. Rob Leone: I am having a lot of difficulty here, Chair, I have to admit, believing anything that's being said. Frankly, I'm quite disgusted that we're sitting here talking about these little amendments and wasting time—wasting the minister's time—and we're being accused on our side of delaying.

We've had how many recesses in the course of a motion that's very simple, that's rudimentary, that we've passed several times in this committee, and here we are, talking about yet another minor amendment after the member who just spoke, last week, was complaining about delaying and stalling. She's doing the very same thing here in this committee.

I can't understand, Chair, why we are even doing this. We expressed our position last week that the reason we were doing what we did was so that we can actually ask the minister some questions about the documents that we're about to receive. We made that plainly clear to people. What's not plainly clear to us is why, today, we're sitting here doing these little amendments that could have been taken care of in one shot, yet "provincial funding" wasn't good enough so we'll take out the word "provincial." Well, "funding" was there. We voted that down, so we're going to use the word "costs."

Are we serious about what we're doing here? Do we really want to ask questions of this minister or not? That's what I want to get a sense of from the government. Why are they delaying? What do you have to hide? At the end of the day, we could simply get on with the business of doing this, yet I suppose that if we don't vote for this amendment, there will be another amendment coming forward. I do want to strengthen this motion. I very much believe it could be strengthened. In essence, every one of these amendments is limiting the scope of what we're trying to do, and that is unacceptable to me.

This is a committee that's supposed to get to the bottom of the costs of the Pan American Games and the Parapan Am Games, and every time we hear another amendment, it's an attempt by the government to limit

that scope, to limit that deliberation, to limit our ability as the opposition to get to the bottom of things. So why would I entertain another amendment that simply does the same as the previous ones? This is getting beyond any sense of—this is just ridiculous, plainly ridiculous.

Interjection: Games.

Mr. Rob Leone: My colleague said these are games; they are games. The minister is here. He's clearly upset that he's not being able to answer the tough questions we have for him, and that's solely the responsibility of the governing party.

Minister, if you really want to answer some questions today, I think you have to look across the way and talk to your MPPs to get to the bottom of what's happening here—

Hon. Michael Chan: Are you having a question for me?

Mr. Rob Leone: I don't have a question for you.

The Chair (Mr. Michael Prue): No, no. Mr. Leone does not have a question for you. It may be a rhetorical question, but we're not going to get into this.

Mr. Rob Leone: I didn't ask a question. I said—

Interjections.

The Chair (Mr. Michael Prue): Please, Minister, you do not have the floor. At this point, you do not—

Mr. Rob Leone: I said "if." There's a big if there, Minister.

Mr. Mike Colle: That counts against the time.

The Chair (Mr. Michael Prue): No, it does not count against the time. It was a rhetorical question, and it needs to be ignored by the minister.

Mr. Rob Leone: I would hope, at the end of the day, that the government party has some real, serious issues that they'd like to talk about. I don't see any acknowledgement that that's the case. I sat here in estimates last year when the governing members time and time again proposed amendments, called for 20-minute recesses—we went for months—

Interjection: Months.

Mr. Rob Leone:—months, and that's what the Liberals did in the estimates committee last year, to avoid any accountability on the gas plant scandal and, yesterday, we know why. We have an Auditor General's report that simply states the reason why they didn't want to tell and let us get to the truth. I think the same thing is happening here. There's a—

Ms. Dipika Damerla: Chair, point of order.

The Chair (Mr. Michael Prue): On a point of order, Ms. Damerla.

Ms. Dipika Damerla: I believe Mr. Leone is straying from the issue by bringing in extraneous subjects. So if you could stick to the topic—

Mr. Rob Leone: I'm just getting to the costs, Chair.

The Chair (Mr. Michael Prue): Well, then get to the costs quickly because the issue here—if there's a one-word change and the word is "costs"—

1700

Mr. Rob Leone: I'm just getting to the costs, just warming up to it.

The Chair (Mr. Michael Prue): Okay.

Mr. Rob Leone: Chair, the issue here is that in estimates last year, we asked where in the budget the cancellation costs for the gas plants were. We didn't get an answer to that very question, and we had to go to extraordinary lengths to get it. I think the governing party is delaying by putting "funding" and "costs" because the costs we're going to uncover through this emails are going to far exceed what they've already detailed.

But we don't know, as you stated earlier, whether that's the inputs or the outputs, the money coming in or the money coming out, where the money is coming from, whether it's one budget, two budgets, three budgets, four budgets. We have no idea what that is. We have to have the documentation to allow us to find out exactly what's happening, because the simple questions simply aren't being answered.

That's why I think the change to the word "costs" is equally problematic, as it limits the scope of the original motion, and we should be defeating it. I think we should do our best, Chair, to ensure that we're doing what we're supposed to on this committee, which is to get to the bottom of what happened in the Pan/Parapan Am Games.

The Chair (Mr. Michael Prue): Further debate? Mr. Colle.

Mr. Mike Colle: I think the member is speaking against himself. He just said he wants to get to the costs, and the motion, very specifically, talks about getting to the costs, and that's a pretty wide-ranging spectrum. Anything to do with costs should be brought forward to the committee, and I think that's what the estimates committee is about: costs. I can't see how the member could object to saying that we want all the material relating to costs.

If we really want to get on with it, I think this is a pretty obviously helpful amendment, because it widens the scope, and the fact is that it does take out "provincial." I agreed with you at the beginning; I didn't want to see the word "provincial" in it, because I know that a lot of the costing relates to the federal government's \$500 million and also to the province and all the 12 municipalities. I'd like to see some of that information too, because that relates to costs. That's why I think, if you really want to get on with it, that this allows the committee to get all the information going back to 2010—everything relating to costs.

What is it that would be of interest to the committee that doesn't relate to costs? That's what I don't quite understand. That's my two cents.

The Chair (Mr. Michael Prue): Further debate? Ms. Damerla.

Ms. Dipika Damerla: I just wanted to say that I was perplexed by Mr. Leone, because he seems to contradict himself. On one hand, he said these are really minor amendments. Well, if they're so minor, just vote in favour and let's get on with it and we will—

Interjection.

Ms. Dipika Damerla: That's the point. You, yourself, said they're minor amendments. It's clear that the opposi-

tion isn't sure that they're really looking for. I think we made some very reasonable suggestions. MPP Colle spoke very eloquently as to why we need to limit it to costs. I'll go back to that old example: Do you really need that email wishing your niece a happy birthday? That's the kind of email you're seeking when you say "all correspondence." We've got to limit it. We've got to scope it out. That's all we're trying to do. There's the saying that people in glass houses shouldn't throw stones. I quite object to anybody saying that the government is obstructive.

Mr. Rob Leone: Yes, you are.

Ms. Dipika Damerla: Clearly, the evidence suggests that, as we speak, the opposition is not allowing us to find common ground.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: Chair, through the duration of deliberations on the gas plants scenario, we found out that the government used code names. They used Project Vapour, Project Fruit Salad, Project Apple. These are certainly project names that we did not know beforehand. Who knows? Maybe the name of the Pan Am Games mascot is a project: Project Pachi the Porcupine. How do we know?

What the member is suggesting that we can get to the bottom of this by maybe limiting what we're doing. In fact, the opposite is true. I'm suggesting, contrary to what Mr. Colle had said, that we don't know where the costs are, we don't know where the funding is coming from. We need to know all of it, and both motions limited the intent of the original motion. There was no contradiction whatsoever on either by myself. I know we like to change words, play on them and so on and so forth, but the reality of it is, unless we have a broad scope, we can't actually determine where these costs are.

I'm certainly of the opinion that we should get going on this, Chair, and I'm not going to say any more on this amendment.

The Chair (Mr. Michael Prue): Any further debate? Ms. Damerla.

Ms. Dipika Damerla: Chair, we'd like a 20-minute recess ahead of any vote.

The Chair (Mr. Michael Prue): It is in order. But before I recess, Ms. Damerla, may I ask a question? If your motion passes, then we'll go on to the main motion. If it doesn't pass, do you have other ones? I have staff and a minister sitting here very patiently who probably have a whole lot more important things to do than listen to what I consider, at best, an arcane debate—at best.

Hon. Michael Chan: Me too.

Ms. Dipika Damerla: Chair, that's what we need the 20 minutes for.

The Chair (Mr. Michael Prue): Yes, okay. You need the 20 minutes to determine what you're going to do next, if this doesn't pass?

Ms. Dipika Damerla: Yes.

The Chair (Mr. Michael Prue): All right. Well then, I cannot dismiss the people here today until we find that out.

We are recessed for 20 minutes. Please be back here at 5:26.

The committee recessed from 1706 to 1726

The Chair (Mr. Michael Prue): We will call the meeting to order. We recessed for the purpose of allowing members to consider the motion for 20 minutes. We will now proceed to the vote. We have a vote before us that I marked as number 4. The operative words that have been changed—it's the motion that says "the costs." Okay? So everybody knows the motion you're dealing with?

All those in favour, would you please signify? I see you this time, Mr. Dickson. All those opposed? I can only accept one vote from the NDP.

Interjection.

The Chair (Mr. Michael Prue): Yes, okay. All right. Here we are, tied again.

This is becoming very difficult. I am trying to be a fair and rational Chair. I am trying to look at everything that is being said and everything that is being done. I'm looking at the original motion that was made by Mr. Leone and I'm looking at the amendments. This amendment is limiting to Mr. Leone's motion; I'm absolutely clear on that. So the decision is, does it limit it to such an extent as to make it less relevant to what the committee's operation is and what the committee is supposed to do?

In my view, this committee is supposed to look into all aspects of the ministry that's under question, everything that is contained within the estimates and all of the facts relating to those estimates. I am mindful of what Speaker Levac had to say when this committee sent the request to the House that potentially the then Minister of Energy might be in contempt because he was not willing to release the facts.

We do not have that case of this minister refusing any such facts at all, so I want to draw that this is very different. But what Speaker Levac said, relying in part upon Speaker Milliken from the House of Commons, was that the committee has an unfettered right to all documentation. What I see here is an attempt to fetter the request for all documentation, and it does run somewhat counter to the motion—I think very much counter to the motion—that Mr. Leone has put forward.

This is not simply a matter of a date. If it was a matter of a date, I wouldn't have a problem, but I think I want to err on the side of caution here to follow what Speaker Levac had to say. Therefore, I am going to vote no.

Mr. Rob Leone: Chair?

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: I realize that the date—

The Chair (Mr. Michael Prue): That's all I have to state. Therefore, the motion fails. Okay. Go ahead.

Mr. Rob Leone: Chair, I realize the date, October 17, 2013, is obviously about to pass, because we've been delaying and deliberating, so I'm going to propose to amend this motion to—

The Chair (Mr. Michael Prue): You're amending your motion—

Mr. Rob Leone: I'm amending the motion—

The Chair (Mr. Michael Prue): —because that's the only one we have before us at this point.

Mr. Rob Leone: —to remove the date "Thursday, October 17, 2013" and insert the words "two weeks after the motion passes."

The Chair (Mr. Michael Prue): Does everyone require a written copy? Ms. Damerla, do you want a written copy?

Dipika Damerla: Actually, Chair, I was going to suggest something else, which was: Clearly, we on all sides want to come up with a workable motion. My suggestion would be, in a minute—and I'm going to explain why, so I'm going to ask—

The Chair (Mr. Michael Prue): We have a motion that's duly made. I can't entertain something else until we've disposed of that.

Ms. Dipika Damerla: Okay.

The Chair (Mr. Michael Prue): Is this a procedural thing you want to suggest?

Ms. Dipika Damerla: Yes. Well, you'll let me know if that is.

The Chair (Mr. Michael Prue): With your indulgence, I want to hear her procedure, because if we can get ourselves out of what has quickly become some kind of a Gordian knot on actually us doing—you all know about Gordian knots? No, and it doesn't matter.

Ms. Dipika Damerla: I have a proposal to solve the Gordian knot, and that might be to seek adjournment and work out a solution outside of the committee that all parties can work together, have our staff working together to come up with something that we can all live with, and then move the committee forward, because trying to amend through this process of voting each other down and the theatre that goes with it—perhaps committee business is best served if you get into a room and—

The Chair (Mr. Michael Prue): Okay. The purpose of an adjournment, I cannot comment on. But if you are seeking to move an adjournment, and you have already stated your purpose, that is in order, and it would supersede the motion made by Mr. Leone, just as his motion superseded yours yesterday. Is that what you wish: to move an adjournment?

Ms. Dipika Damerla: Yes. But it's really important that we get on the record the reason. We're not doing this to delay anything—

The Chair (Mr. Michael Prue): No. It's not debatable. We heard you the first time. You stuck it in. It's not debatable as to the purpose. If you are seeking an adjournment for today, then we have a motion of adjournment. It's not debatable.

All those in favour of adjourning today? All those opposed?

The job of a Chair, quite frankly, is to facilitate continuing. That's what I'm supposed to do. I'm always supposed to err on the side of continuing the debate and getting the committee's work done, so I cannot support the motion to adjourn. I think it was a valiant try, and there is some merit in what you're saying, so we'll see what happens to this. If this does not happen, I would

allow someone to entertain a recess for a few minutes to see whether it can be accomplished today before we go on.

Mr. Leone does have the floor, and he has duly moved an amendment to his own motion. Do members require a hard copy of his amendment?

Interjections.

The Chair (Mr. Michael Prue): Okay. Then we will recess for five minutes while a hard copy is made and is photocopied and is in the hands of all members. We stand recessed for five minutes.

The committee recessed from 1732 to 1739.

The Chair (Mr. Michael Prue): I call the meeting back to order. Everyone now has a copy of the motion made by Mr. Leone. I know exactly what Mr. Leone is trying to do, but I feel that as the Chair, I must insist that there be either a friendly amendment made by someone or an editorial change, because you cannot state that it come to the Standing Committee on Estimates by 12 p.m. two weeks—12 p.m. what? And might I suggest, what you're trying to say is "by 12 p.m. on the date which falls two weeks after the motion passes"?

Mr. Rob Leone: I'm good with that.

The Chair (Mr. Michael Prue): So if you would make that friendly amendment yourself; otherwise, the motion doesn't make any sense. I know what you're trying to do.

Mr. Rob Leone: So, Chair, I have a friendly amendment to suggest: "by 12 p.m. on the date that falls two weeks after the motion passes."

The Chair (Mr. Michael Prue): And you're making that your own friendly amendment?

Mr. Rob Leone: A friendly amendment to my own amendment.

The Chair (Mr. Michael Prue): Does everybody understand what he has done? Okay.

So we have an amendment. Discussion on the amendment. Mr. Leone.

Mr. Rob Leone: It was the spirit of the original motion. We're delaying. So I would suggest a floating date, and two weeks is consistent with what we've asked for in the past and is what we're suggesting here. That's all.

The Chair (Mr. Michael Prue): Ms. Damerla.

Ms. Dipika Damerla: I really do feel that the proposed two weeks is inadequate time. I would dare to suggest that if somebody were to ask MPP Leone to produce all the correspondence he ever received in the past three years, every Christmas card, every email, every bill, every invoice, every friendly note he passed to his seatmate, in two weeks, I daresay he wouldn't be able to produce it himself. So to expect the Pan Am secretariat to produce every piece of correspondence in just two weeks, it's plainly unreasonable. It makes no sense.

I'm going to suggest, Chair, that we have a 20-minute recess in which we can come to a motion that we can all agree on and discuss it outside.

The Chair (Mr. Michael Prue): This is not an automatic recess, but I'm willing to put your request to a vote, if that's what you wish.

All right. There is a request here for a 20-minute recess in order to try to facilitate some kind of dialogue to see whether we can get through this impasse. If there is a 20-minute recess, though, it takes us past the hour of 6 o'clock, so it is in effect adjourning to another date, just so you understand what happens if the motion passes.

We have a motion for a 20-minute recess in order to dialogue to see if we can make changes that will accommodate all parties. All those in favour? All those opposed?

Again, I can't support this because it takes us beyond the date, and I'm not sure that dialogue is possible at this point. If it was five minutes, I might have said yes, but it's not five minutes, it's 20 minutes, which means that we can't continue for the balance of the day. We've been here all day to resolve absolutely nothing, and as the Chair, I can't vote yes.

Mr. Rob Leone: Chair, can we call the question, please?

The Chair (Mr. Michael Prue): Is there any other member who wants to debate? Seeing none—

Mr. Mike Colle: Could I call a recess before we vote of 10 minutes?

The Chair (Mr. Michael Prue): Yes, yes. You have a 20—

Interjection.

The Chair (Mr. Michael Prue): No, no. As soon as somebody asks—are you requesting a 20-minute recess? He's entitled to a 20-minute recess before we vote. Those are the rules of the Legislature. It's not debatable and it's not votable.

Mr. Mike Colle: I'm calling for 20 minutes because that clock is wrong.

Interjections.

The Chair (Mr. Michael Prue): I have 17 minutes to. I think the clock is close enough.

Mr. Mike Colle: I'm calling for a 20-minute recess.

The Chair (Mr. Michael Prue): He's entitled to it. All right. Then there is a 20-minute recess, and we will vote on this as the first item of business on the next date, which would be two weeks from yesterday, 13 days from today, which will I think be the 22nd at 9 o'clock in the morning. We would ask the minister and the staff to come back on that date, which is Tuesday morning, nearly two weeks from now, because we are on a constituency week next week and the committee cannot meet. Okay. Meeting is de facto adjourned until that date.

The committee adjourned at 1743.

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Official Report of Debates (Hansard)

Tuesday 22 October 2013

Journal des débats (Hansard)

Mardi 22 octobre 2013

Standing Committee on Estimates

Committee business

Ministry of Tourism,
Culture and Sport

Comité permanent des budgets des dépenses

Travaux de comité

Ministère du Tourisme, de la
Culture et du Sport



Chair: Michael Prue
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 22 October 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 22 octobre 2013

The committee met at 0900 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): I call the meeting to order. First of all, I should announce there is still one hour and 42 minutes left in these estimates. I thank the minister for coming back again.

On the last occasion, the floor was with the Conservatives. They had eight minutes left. On the last occasion, we adjourned because of a request for 20 minutes, and that was taking us past the hour of 6 o'clock. We now have an amendment and a motion to deal with, but I'm given to understand that it may be withdrawn.

Mr. Rob Leone: Is the motion that we previously debated in order still?

The Clerk of the Committee (Mr. Katch Koch): The main motion is not.

The Chair (Mr. Michael Prue): The main motion is not in order, so I'm going to have to—

Mr. Rob Leone: Yes.

The Chair (Mr. Michael Prue): If we get there, I'm going to have to rule it—

Mr. Rob Leone: All right. I would like to—

The Chair (Mr. Michael Prue): But the amendment is in order—

Interjection.

The Chair (Mr. Michael Prue): —but then it would be void because of the main motion.

Mr. Rob Leone: Right. Chair, I would like to withdraw that motion and introduce a new one.

The Chair (Mr. Michael Prue): Okay. The motion and the amendment: You're withdrawing them both?

Mr. Rob Leone: May I introduce?

The Chair (Mr. Michael Prue): No, I need to be clear: You are withdrawing your amendment and your main motion?

Mr. Rob Leone: Correct.

The Chair (Mr. Michael Prue): Okay. The amendment and the main motion are now withdrawn.

Mr. Rob Leone: I'm sorry.

The Chair (Mr. Michael Prue): It's your eight minutes.

Mr. Rob Leone: Chair, I'd like to introduce a new motion. I move that the Ministry of Tourism, Culture and Sport release all correspondence and notes, electronic or otherwise, delivered to the Ministry of Tourism, Culture

and Sport, the Minister of Tourism, Culture and Sport, and the Pan Am and Parapan secretariat, related to the 2015 Pan Am and Parapan Games, from January 1, 2010, to October 3, 2013, to the Standing Committee on Estimates on the day that falls exactly two weeks after this motion is passed.

The Chair (Mr. Michael Prue): Okay. We need copies; all of the members will require a copy. Have you brought some?

Mr. Rob Leone: I don't have enough.

The Chair (Mr. Michael Prue): We will take a five-minute recess, then, in order to allow the Clerk to make copies and distribute them to the members. We stand recessed for five minutes.

The committee recessed from 0902 to 0907.

The Chair (Mr. Michael Prue): We'll call the meeting back to order. Everyone now has a copy of the motion in front of them. Debate? Mr. Leone.

Mr. Rob Leone: Thank you, Chair. I just wanted to—not to, you know, take more time on this motion than necessary. We've been talking for a few weeks now about trying to extract some more documents with respect to the Pan Am/Parapan Games that are going to occur in the near future, in 2015. The motion that we previously passed had a date, and since the filibuster was taking place across the way, we couldn't get that motion passed; therefore it wasn't in order. In keeping with the theme, we didn't want to put a specific date on this motion, so we just suggested that, exactly two weeks after this motion passes, we would like to see these documents tabled to the committee so that we can examine the contents of those documents and uncover some of the issues that we have with respect to the Pan Am/Parapan Games.

Chair, I've said this before and I'll say it again: We have offered this two-week timeline in keeping with what we have asked for previously from estimates. We certainly think that the timeline needs to be short. There might be debate on whether two weeks is enough or sufficient. I'm willing to entertain a debate on that, but we really want to ensure that we get the documents necessary to provide us with the details necessary to examine the estimates of the Ministry of Tourism, Culture and Sport.

Without taking any more time, Chair, that's the extent of my comments.

The Chair (Mr. Michael Prue): Further debate? Mr. Colle.

Mr. Mike Colle: I just wonder if it might expedite things if we could just refer this motion to both our staffs

and proceed to the questioning of the minister, so we can work out if there are any complications here for the ministry in terms of timelines etc., and then deal with that immediately after the morning or whatever. But just refer this motion to the staff of both sides and just proceed with the questioning at this time of the minister.

The Chair (Mr. Michael Prue): This would be a motion; it would be in order. But you have to give a timeline. Do you want it deferred until this afternoon? Is that—

Mr. Mike Colle: Yes.

The Chair (Mr. Michael Prue): All right.

Mr. Mike Colle: And meanwhile, for the rest of the morning, we would question the ministry.

The Chair (Mr. Michael Prue): We have a motion of deferral until this afternoon. We have to deal with that first. Any further debate on the motion of deferral? Mr. Leone.

Mr. Rob Leone: Mr. Chair, I would suggest that we have all, I think, talked about this extensively, this motion, in committee already. I don't think it was going to be a surprise that the previous motion, given that it had a specific date that happened to fall during our constituency week, that that motion would be out of order and that a new motion would be presented within a similar context today.

I would suggest that one way of detailing this is just outlining exactly what you want. If we can come to an agreement very quickly this morning, I think we could deal with it right now. I don't see why we would want to delay. That's just my opinion on that. I'm willing to hear what others have to say.

The Chair (Mr. Michael Prue): Any further debate? Mr. Colle.

Mr. Mike Colle: As I said, my preference was that we question the minister immediately, but given that you don't want to do that, perhaps one of the concerns I think that we've expressed in the past is the timeline. So one of the suggested considerations I would do if you want to work this out rather than going to staff is to go from two weeks to four weeks.

The Chair (Mr. Michael Prue): No, no. You're going on to the main motion here. This is only on deferral—

Mr. Mike Colle: Okay.

The Chair (Mr. Michael Prue): —on whether it should be put over till this afternoon. So anything else on deferral? Seeing no one else, we'll call the motion of deferral, the motion by Mr. Colle to put this over until this afternoon. All those in favour? Opposed? I have to cast a vote again. I am disinclined to vote for this because I don't think that this is appropriate to be put to staff, quite frankly. I think that the decision needs to be made by the committee itself. And so I'm going to cast a negative vote. The motion of deferral fails.

We're on to the main motion. Further discussion on the main motion? And if you want to move an amendment to make it four weeks, that's perfectly in order. Mr. Colle.

Mr. Mike Colle: Yes. Mr. Chair, I move that Mr. Leone's amendment be amended as follows: that the

wording "two weeks" be replaced by the wording "four weeks."

The Chair (Mr. Michael Prue): Do members need a copy of that motion? I mean, it's pretty—

Mr. Mike Colle: I have some copies. We're just changing "two" to "four."

The Chair (Mr. Michael Prue): It's just "two" to "four." Okay, everybody understands that; it's a very simple amendment. Discussion on the amendment by Mr. Colle? Mr. Leone.

Mr. Rob Leone: Perhaps just a friendly amendment, Mr. Chair: Can we also state in your amendment "noon"—by noon four weeks after? If that would be acceptable to you.

Mr. Mike Colle: Sure. No problem.

The Chair (Mr. Michael Prue): So I'm going to take the amendment now by Mr. Colle that it be delivered by noon four weeks after the motion passes, if it passes. Okay. Any further discussion on that? Ms. Damerla.

Ms. Dipika Damerla: Before it goes to a vote, I'd like a 20-minute recess.

The Chair (Mr. Michael Prue): All right. Is there any other discussion before we break for 20 minutes? Because that is in order. All right. No other discussion. We will recess for 20 minutes and then come back for the vote. We'll be on the amendment first and then the main motion to follow.

We stand recessed for 20 minutes. And, please, everybody be back here promptly. I still can't see that clock from here.

Interjection.

The Chair (Mr. Michael Prue): Quarter after—no, it is—

Interjections.

The Chair (Mr. Michael Prue): No, we need some kind of different clock here—or stop the light from shining on it. Okay, please be back here at 25 to 10.

The committee recessed from 0915 to 0930.

The Chair (Mr. Michael Prue): I call the meeting back to order. I have a motion before you, as amended. We're going to deal with the amendment first, the amendment by Mr. Colle to change the two-week period to one that says, "at noon four weeks after the motion is passed."

That's the amendment. All those in favour of Mr. Colle's amendment? Okay, carried; it was unanimous.

Okay, we now have a motion as amended. Is everybody clear on how that motion, as amended, will read? Okay. All those in favour of the motion, as amended?

Ms. Dipika Damerla: Chair, I want to amend the motion, and introduce another amendment.

The Chair (Mr. Michael Prue): No. You're in the middle of a vote. The motion was amended. You would have had to have made an amendment to the amendment.

Ms. Dipika Damerla: That's what I wanted to do.

The Chair (Mr. Michael Prue): But you asked for a 20-minute recess, and you are now estopped. We are in the vote.

Ms. Dipika Damerla: Let me just ask for clarification. Right after the vote, that was my first chance to ask for an amendment.

Mr. Steve Clark: I thought we were voting, Chair.

The Chair (Mr. Michael Prue): Wait a minute. I'm just trying to understand what your amendment would be.

Ms. Dipika Damerla: I would like to amend the original motion, or the amendment to the amendment—whichever way it is.

Mr. Rob Leone: Come on, Chair—

The Chair (Mr. Michael Prue): No, no. It may have been in order, but it was clear when we adjourned that we were adjourning for the purpose to come back to vote.

Ms. Dipika Damerla: Okay, so we just voted on extending it from two weeks to four weeks, and that was the vote, but what if we wanted to now make an amendment to the motion? Do we have to wait until we vote on the motion and then make an amendment, or—

The Chair (Mr. Michael Prue): No, the amendment would have to be made before. Tell me what the amendment is, just to be clear that it would be in order.

Ms. Dipika Damerla: The amendment would read—I'm going to read the whole of it.

I move that Mr. Leone's motion be amended as follows: that the words “related to the 2015 Pan Am and Parapan Games from January 1, 2010, to October 3, 2013,” be removed and replaced with “from January 1, 2010, to October 3, 2013, related to the funding and costs of the 2015 Pan Am and Parapan Games.”

Interjection: We're in a vote.

The Chair (Mr. Michael Prue): No, no. Just give me a second to think about this. This is almost identical to the wordings that we went through in—

Ms. Dipika Damerla: Actually, it's not, but we can debate that once I've had the chance—

The Chair (Mr. Michael Prue): No, but I'm trying to think. I don't have a copy in front of me, but it sounds to me very much like the motions that were made the last time we were in session.

Mr. Steve Clark: Chair, members make mistakes. We're in the middle of a vote, Chair.

The Chair (Mr. Michael Prue): I realize that. I'm trying to be fair, so please, let's see what's being proposed.

This is difficult, because this is fundamentally changing the motion that we are about to vote on, and I think that, because it was not timely, I'm going to have to put it to the committee to see if there is unanimous consent to allow this to proceed, this amendment.

Mr. Rob Leone: No.

The Chair (Mr. Michael Prue): I heard a no, so I think I have to say that it cannot be dealt with.

We are in the middle of a vote, and I think, with all respect, you were not quick enough to do this. You should have explained or said that you may have some others before we adjourned, because once the vote has started, I think I am duty-bound to carry it through.

Ms. Dipika Damerla: Chair, I respect that, but I could barely take a breath. We voted, and then you moved to

the next. I don't know when my opportunity would have been to say, “We are okay with extending two weeks to four weeks, but we do have another amendment.” It just seems—

The Chair (Mr. Michael Prue): No, but I did explain that we would go from the amendment to the main motion when we came back. There was no hesitancy on anyone's part not to do that.

Mr. Rob Leone: Chair? I would like to add and state on the record that I think most members on the committee were in the middle of raising their hands. I know our hands were raised for a vote.

The Chair (Mr. Michael Prue): Yes, and that is exactly what happened when there was an interjection. As the Chair, I try my utmost to be totally fair and non-partial here.

Mr. Rob Leone: The interjection was too late.

The Chair (Mr. Michael Prue): And I've just ruled that: The interjection was too late.

We are now in the vote on the main motion, as amended by Mr. Colle. All those in favour of the main motion, as amended, please signify.

Mr. Rob Leone: Recorded vote, Chair.

Ayes

Campbell, Clark, Jackson, Leone.

The Chair (Mr. Michael Prue): The motion carries.

MINISTRY OF TOURISM, CULTURE AND SPORT

The Chair (Mr. Michael Prue): Mr. Leone, the floor is yours.

Mr. Rob Leone: To Mr. Jackson.

The Chair (Mr. Michael Prue): To Mr. Jackson.

Mr. Rod Jackson: I have some further questions for the minister today on the Pan Am/Parapan Am Games. Minister, a couple of weeks ago, you sat in front of this committee and claimed that your ministry was responsible for ensuring money allotted for the games was spent “wisely,” then were asked a series of questions about questionable, unwise spending habits—by your own words—of the Pan Am executive. You claimed that accountability fell to the board of TO2015.

You went on to mention that you and your Premier only found out about these questionable expenses at that time three weeks ago, which would be four or five weeks ago now, and took immediate action to correct it with a phone call. When we received the documents we asked for, namely the audit—at the last minute, I might add—the Premier and you clearly misled this committee and the province—

The Chair (Mr. Michael Prue): Excuse me. You cannot say that in the House; you cannot say that in this committee. So please withdraw that.

Mr. Rod Jackson: Okay. Withdrawn, Chair.

The compliance audit of TO2015, conducted by the Ontario internal audit division and given to your deputy minister at the time, alluded to the fact that the expenses of bad faith were prevalent as early as October 2012, Minister, over one year ago. Furthermore, the documents your ministry provided to the committee also included a series of lined expenses that illuminated even more expenses of bad faith. A couple of examples:

- the expense of \$27,000 for house hunting and relocation fees filed by one member of the executive;
- a \$342 and a \$330 charge for laundry and cleaning services filed by two members of the executive;
- an expensed parking ticket for \$31.50;
- a \$980 charge for a membership to a personal development and networking organization;
- \$550.06 for incidentals accrued while on vacation, by a board member;
- \$1,000 for various magazine subscriptions;
- \$7 for a bottle of water;
- \$1,003.64 for accommodations at the Fairmont Acapulco Princess hotel; and
- \$744.56 for undisclosed medical expenses by the CEO of TO2015.

Finally, we received expense forms from 17 people on the TO2015 board; 13 of these people filed expense claims without receipts. They did not file receipts. I would submit that none of us sitting around this table can do that. This means that over three quarters of the board members, Minister, who filed receipts decided it wasn't necessary to file receipts and justify their expenses. I have a few questions for you that I hope you can answer surrounding this.

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Over a year ago, what was your ministry's course of action? Who is really in charge of the Pan Am Games and the TO2015 board? Are you ready to accept responsibility, call on the members of TO2015 to pay back those expenses or will you and the Premier continue to turn a blind eye, make sure that we continue to play this shell game as a government and leave taxpayers on the hook? Will you accept responsibility and make sure that TO2015 pays back the Ontario taxpayer for these frivolous expenses?

Hon. Michael Chan: It's a long time now, Chair. I think the last question I was asked was, "How are you?" We wasted a lot of time in the last couple of weeks and it is quite unfortunate.

The minister and also the staff behind me—there are a lot of people involved here and for some reason this is a gross abuse of time. When you talk about time, it's also money. I think, Chair, you also have—

Mr. Rod Jackson: Minister, if you could answer me. What is your course of action, who is in charge and are you going to pay back the Ontario taxpayer?

Hon. Michael Chan: —and also the public servants sitting here. Chair, I'd like to mention, over the last two weeks, the fact that a lot of time has been wasted by these motions and amendments to motions—

Mr. Rod Jackson: Minister, that's exactly what you're right doing now. You're wasting time.

Hon. Michael Chan: Your question being—Chair, do you have something to say?

The Chair (Mr. Michael Prue): Minister Chan, this is the estimates portion. The other portion involves the members of the committee and not your ministry. We acknowledge that certain amounts of time were not well used by the staff and yourself, but we are now into the estimates portion where the questions are asked by the committee members and answered by you and your staff. Questions have been posed. If you could deal with the questions that were posed, I'd appreciate it.

Hon. Michael Chan: Thank you, Chair. I just want to put the record straight that a lot of time has been wasted by the people who actually initiated the motion.

But, anyway, I think the question had been asked previously and there is a lot of rubbish in there. I'll tell you why. The member talked about a lot of things. Even on asking a question, he's making a long statement and asked about 10 questions. I remember he was talking about the athletes' village in estimates. He seems to be very much surprised at the cost of the village of \$700 million being mentioned. He looked like he just found out. But, in reality, when we check those records, it was mentioned in 2009 by a major newspaper in Toronto—

Mr. Rod Jackson: In fact, I issued press releases—

Hon. Michael Chan: —which, in 2009, the Toronto Star mentioned that—

The Chair (Mr. Michael Prue): Please, Mr. Jackson—

Mr. Rod Jackson: Chair, with due respect, he's not even close to answering the questions.

Interjections.

Mr. Rod Jackson: He's filibustering again. This is totally inappropriate. This is the government covering up a problem. Obviously they have a problem here, Chair, that they're not willing to discuss. This is actually not a government that is transparent and wants to let the public know exactly what's going on. This is a great example of a minister who is not taking responsibility. He's not answering the questions about expenses—

The Chair (Mr. Michael Prue): You have asked the questions, you've made your points. Now, please, Minister Chan, answer the questions to the best of your ability.

Hon. Michael Chan: Yes, thank you. Why is so much rubbish in here? Because a lot of information produced by the member is rubbish. I just want to make some examples here, to tell the estimates here why those statements are rubbish.

Mr. Rod Jackson: Minister, your answer is rubbish. Your own audit is—

The Chair (Mr. Michael Prue): Order, please. Order.

Mr. Chan, you have about a minute and a half left to answer this question. Please answer it.

Hon. Michael Chan: Okay. Thank you, Chair. Let me get back to the—

Interjections.

The Chair (Mr. Michael Prue): Mr. Jackson—

Mr. Rod Jackson: He hasn't even come close, Chair, to answering the questions.

The Chair (Mr. Michael Prue): He can't answer the question because you keep interfering. He has less than one minute left.

Interjections.

The Chair (Mr. Michael Prue): Mr. Jackson, we are in estimates committee. This is not a court of law. He has an opportunity to answer the question. You have to—

Mr. Rod Jackson: He's not, though, Chair.

The Chair (Mr. Michael Prue): Whether he is or not, he has only about a minute left. If you keep asking this, you're not going to get any answer at all.

Interjections.

Hon. Michael Chan: Your statement is about five minutes. You make a statement and you ask questions. The total is five minutes. Chair, he had the opportunity to do it for five minutes, and I don't have an opportunity to do it for half a minute.

Mr. Rod Jackson: Answer the question. Just answer it.

Mr. Mike Colle: Keep quiet for a minute.

Mr. Rod Jackson: Why don't you be quiet?

The Chair (Mr. Michael Prue): Order, please. Order.

How much time is left, Mr. Clerk?

The Clerk of the Committee (Mr. Katch Koch): Twenty seconds.

The Chair (Mr. Michael Prue): About 20 seconds, Mr. Chan. Say what you want for 20 seconds.

Mr. Rod Jackson: And preferably answer the question.

Hon. Michael Chan: Here you go.

Interjection.

Hon. Michael Chan: You finished?

Mr. Rod Jackson: I'm waiting for your answer.

Hon. Michael Chan: Is your excitement finished?

Mr. Rod Jackson: I'm waiting for your answer.

Hon. Michael Chan: Oh, you're finished. That's good.

Chair, when I try to say something, he's already interjecting.

The Chair (Mr. Michael Prue): All right. The time has now expired. We're on the rotation.

Ms. Campbell, you have 20 minutes.

Ms. Sarah Campbell: Thank you, Chair. Minister, I understand that you, Minister Chan, asked the organizing committee for an explanation regarding the retention bonuses when you first took over responsibility for the games and that you were given an explanation, but you said that you put these concerns aside. Can you share with the committee what this explanation was?

Hon. Michael Chan: Thank you very much for the question, which is a very nice question, by the way. You are not making a statement of any kind. You went straight for the question, and I'm going to answer your question in the best way that I can. Thank you for your question.

Early this year, when the Premier delegated me to be responsible for the file—and of course, I received a lot of briefings. One of the items that really caught my atten-

tion was the salary as well as the bonus of—the pay to the Toronto 2015 executives. Those numbers—I think they're a big number. It caught my attention, so I decided to look into why those bonuses are being paid or being created. I was led to understand that it's for three reasons. Number one is for the staff, the executives, to achieve an operational budget. That's one. Also, the second one is to achieve the capital budget, to make sure that it's on time and on budget. They would be paid a bonus off of that. The last one is the completion, to make sure the senior executives working there would complete—when the games are completed, they stay there. The reason for that is to learn from past experiences, because in past Pan Am Games or other games, there were occasions that the senior executives kind of, like, resigned and left the games perhaps one or two weeks before the games ended. It caused a lot of chaos. You can imagine: The games will be on two weeks from now, and the senior executives resign. So their completion bonus is to kind of try to induce the people to work after the games are over. The other two, basically, are to encourage them to work very hard and be able to deliver the games on time, on budget, or perhaps under budget. So these are the reasons that the so-called bonuses are being built into those contracts.

Ms. Sarah Campbell: Thank you for that, Minister.

Hon. Michael Chan: Okay.

Ms. Sarah Campbell: So did the fact that other large organizations and sports event organizing committees—does the fact that they typically do this factor into the explanation?

Hon. Michael Chan: Definitely. I can show you the one in Vancouver, which is the most recent one that occurred in Canada—the Vancouver Olympics, the winter one, in I think it was 2010. Those bonuses were about \$30 million. My records show that eventually \$17 million was paid out as the bonus. So, again, this is common for many of those games. I explained the reason. I think it happened in 1988 or 1990—as early as that, that senior executives, at the last minute, left. Before the games were on, they left, causing a lot of problems there.

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Ms. Sarah Campbell: Related to that, Minister, could you provide a list of organizations that have also issued similar bonuses?

Hon. Michael Chan: Yes, I can. I can do that. Maybe I'll pass it on to the deputy, who will comment on that.

Ms. Sarah Campbell: Thank you. And did you ever explore any other options to ensure that the executives would remain committed to the project and on budget?

Hon. Michael Chan: I'm going to back up a little bit, because you did not ask me the structure: who decided on the structure and who approved the structure of those compensations.

When the government landed, in 2009, the Pan Am Games, at that time the organization decided, "We don't really know how much to pay to hire those skilled people to run these games." At that time, actually, the organization had competitive procurement to procure a firm—a non-partisan, private human resource firm—to look into

how much to pay the executives and what kind of contract to create.

The recommendation was on salary payment plus those bonuses. So that was the recommendation. The 2015 board consists of three provincial reps, three federal reps, one local government rep and four from the COC, which is the Canadian Olympic Committee, and one from the Paralympic committee. So it's the total of those board members to approve that structure of the compensation, as well as the bonus. So that is what's in there.

Ms. Sarah Campbell: Sorry, Minister. Did you say that the government hired a firm to tell you that?

Hon. Michael Chan: In 2009—

Ms. Sarah Campbell: Okay. Which firm—

Hon. Michael Chan: When the whole thing began, because nobody knows how much—we had to hire the people to work for these games. The organizing committee decided—they hired an independent firm to give them recommendations. So this is really a recommendation given by this firm, and then the board, with the provincial, the federal, the local government, plus the sport community, to approve the structure, as well as the bonus.

Ms. Sarah Campbell: Minister, do you have any evidence that a project of this nature is at risk of losing key executives close to the start date?

Hon. Michael Chan: Maybe, Deputy, you can—

Mr. Steven Davidson: Sure. In any time-limited endeavour such as this, which does require highly skilled leadership to deliver, there is always the risk that the currency of those individuals is going to be at a premium as it gets closer and closer to delivery time. There's also the risk that opportunities will arise unpredictably, and individuals will be—because there's no certainty at the end, of delivery of the games—in a difficult position of needing to make a choice. So it's specifically to mitigate that risk that time-limited endeavours such as international multi-sport games very typically have a completion bonus incorporated into their executive compensation package.

Ms. Sarah Campbell: Minister, the Premier said that Ontario had no choice but to offer this type of bonus structure because we had to remain competitive. Can you explain what she meant by this?

Hon. Michael Chan: Again, I think we kind of touched on the compensation, as well as the bonus structure and why we did that. Do you want me to repeat the whole thing basically—

Ms. Sarah Campbell: No.

Hon. Michael Chan: We explained already. Maybe the deputy—

Ms. Sarah Campbell: I'm just wondering precisely what the Premier had intended, if you have a good indication as to what exactly was meant when that statement was made.

Hon. Michael Chan: Go ahead.

Mr. Steven Davidson: I certainly can't presume to know what the Premier's mind was, but I would say that, as the minister has mentioned, the independent firm that

was contracted for by the organizing committee board did do other jurisdiction benchmarking to provide its advice to the board around the appropriate levels of compensation. These are positions and individuals who are highly mobile. There are games under way and planning for games in multiple jurisdictions at any point in time—right now, Glasgow, Rio—so there's a high level of competition for these individuals. So it was the advice of the third-party consulting firm, which did benchmark against other jurisdictions and the competitive recruitment field, that informed the board's decision in this case.

Ms. Sarah Campbell: Thank you. Chair, can you notify me when I've got two minutes left?

The Chair (Mr. Michael Prue): I can do that. Right now, you have about 10 minutes left.

Ms. Sarah Campbell: Okay. Very good, thank you.

Hon. Michael Chan: As a matter of fact, I want to—because I think you asked us to give you some examples of those contracts, definitely the one in the Vancouver Olympics had that kind of bonus structure in there. I think the upcoming Glasgow also had those, okay? I think the Olympics perhaps in London also had those.

So, again, my point is that it's not uncommon; it's very common—

Ms. Sarah Campbell: So—

Hon. Michael Chan: —those contracts, bonuses.

Ms. Sarah Campbell: So, Minister, in your opinion, is it reasonable and appropriate to pay out bonuses that are up to 200% of salaries just for doing a person's job?

Hon. Michael Chan: Again, we talk about the structure, and also the bonus amount is recommended by an independent firm, non-partisan. It was hired. These firms, they are for human resources, and they—

Ms. Sarah Campbell: Sure. It was recommended, but in your opinion, do you think that's reasonable?

Hon. Michael Chan: When they do the job, they look at past games, how much to pay to people, and also look at the environment in 2009-10, the skill of the people available, and then they recommend the salary structure as well as the bonus structure.

So, again, my point here is that it's not someone suddenly just—"Okay. You know what? Pay me so much or pay me the structure." It was done through a competitive process.

Ms. Sarah Campbell: So you're saying, then, that in your opinion it is reasonable to pay bonuses of up to 200%?

Hon. Michael Chan: Again, it's not my position to approve it. The board approved it. The board approved those salaries. The board, again, had three members from the federal government, three members from the provincial government, one from local government, and also four members from the COC and one from the Paralympic environment. So it's a collective approval of that structure that was created by an independent HR firm.

Ms. Sarah Campbell: Another question—

Hon. Michael Chan: I think the deputy wants to explain.

Mr. Steven Davidson: If I could just add one point about the bonuses. The completion bonus is only a por-

tion of the bonus. The others are performance-based. So, for example, if there is an operating deficit incurred by the organizing committee—

Ms. Sarah Campbell: Right, so a bonus essentially for doing a person's job, which—

Mr. Steven Davidson: Well, they would not be eligible for the bonus if they incurred an operating deficit.

Ms. Sarah Campbell: Right, but the point is that if they were doing their job as they should be, they're entitled to a bonus, which was part of my question.

My next question that I had, although the minister has pretty well just answered it, was, does the minister still defend this kind of bonus structure, or does he now realize that a mistake was made? But it sounds very clear from your answer previous that you do think that this is something that's perfectly acceptable.

Hon. Michael Chan: Well, I said it before. After explanation to me early this year, I think the reasons, the three reasons explained to me—I think it is acceptable. I'm supporting it, and I think, again, this is not something unusual. It has applied to many other games previously held, and also it is really something approved by the board, a contract to sign. Of course, due to privacy reasons—I don't think you have a contract either, Deputy.

So the contract being signed, approved by the board—the board had reps of all levels of government. The creation of the contract is by an independent third party and also based on the recommendations and based on the funding of many other games in the past and in the future.

Ms. Sarah Campbell: So, generally speaking, are there any limits that the government sets in terms of bonus payouts? Are there any policies that would apply across the board or in any particular situations?

Hon. Michael Chan: I think in terms of the salary, the bonus, it's really something in the jurisdiction of the 2015 board. Again, this is a non-profit organization. The relationship the provincial government has with this 2015 board and the operation is non-profit. They are a non-profit organization, so in terms of the protocol of chain of supervision, maybe, Deputy, you can further explain that in terms of the—

Ms. Sarah Campbell: Well, no, my question was simply, does the province have any guidelines or policies related to bonuses? It sounds like you're saying no. My next question would be, why not? Do you not think that that's something that is reasonable?

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Hon. Michael Chan: Again, in 2009, when the government landed the games in 2015, the board formally started operation, and they started to hire people. Really, it's up to the jurisdiction of the board to approve the creation of the salaries and also the bonuses. This is where the jurisdiction lies—not with us—to make up the salary structure, the bonus structure. It's really up to the board to approve.

Ms. Sarah Campbell: I've also got some questions related to the athletes' village. Was the government aware

of the fact that it would be a commonly held view that the total budget would be \$1.441 billion? If so, why did you not correct this misunderstanding?

Hon. Michael Chan: I mentioned previously a lot of rubbish is being mentioned—of course not directed to you—because that information is grossly not accurate. I have tons of papers here: the cost of the village, \$700 million, in newspapers like the Toronto Star, the Toronto Sun and others—

Mr. Rob Leone: Point of order, Chair.

Hon. Michael Chan: —in 2009 state very, very clearly that the \$700-million village is on top of the \$1.4 billion, which is to deliver the games and to stage the games. According to even—

The Chair (Mr. Michael Prue): Mr. Minister, I have to stop you. We have a point of order. Mr. Leone.

Mr. Rob Leone: Mr. Chair, the minister just responded to that last question by stating he has lots of paperwork here to demonstrate the costs associated with that. I wonder if he could share that paperwork with the committee.

The Chair (Mr. Michael Prue): The committee has passed a motion to get that paperwork, and we will get that paperwork within four weeks. But the questioning here is under the purview of Ms. Campbell. If she wants to ask for that documentation, she's totally entitled, I think, to ask for it. If the minister wants to reveal it, the minister may choose to do so. I can't allow your point of order. The floor belongs to her.

Hon. Michael Chan: Well, let me continue. Actually, I thought I mentioned two newspapers printed it in 2009. I have more. I have more facts in terms of the village.

I even have MPP Jackson talking about it. He seemed to be surprised two weeks ago in estimates that he only found out the \$700 million at that particular moment, but, in reality—

Ms. Sarah Campbell: Minister, I'm sorry to interrupt but—

Hon. Michael Chan: —his own website shows that he knew about that back in May. Also, when he talked to—

Ms. Sarah Campbell: I would just like to keep it to the question that I asked you.

Hon. Michael Chan: —the media, the radio, he mentioned that he knew about that two years ago. It's very conflicting that an MPP in estimates would contradict himself and pretend to be surprised that it came out, and then he turned around and contradicted himself—

Ms. Sarah Campbell: Minister, with all due respect, if there are some issues that you'd like to raise with—

Hon. Michael Chan: But I'm going to give you all that information to prove that—

Ms. Sarah Campbell: Okay, would you be willing to share that information with me that you have with you today?

Hon. Michael Chan: Definitely. Definitely, I will share the information, including the public quotes in newspapers of Mr. Jackson's remarks.

Ms. Sarah Campbell: In a January 2012 backgrounder from Waterfront Toronto, they state, “The value of the contract with Dundee Kilmer is \$514 million. The province will recover approximately \$65 million in development costs from future facility operators, for a total net provincial outlay of approximately \$449 million.” Can the minister clarify: Is the total cost \$449 million or \$709 million?

Hon. Michael Chan: In terms of the technical details, I’m going to ask the deputy to respond to you. Before that, I want to say something here. The village is not included in the \$1.4 billion; it’s very public—four or five years ago.

Let’s look at that. The village, basically, will also revitalize an area that has been quite deteriorated in the downtown area, the West Don Lands, so this is a good thing, using Pan Am and the village. Eventually it will develop a vibrant—

Ms. Sarah Campbell: Minister, I appreciate that. I’m just wondering what the total cost is.

Hon. Michael Chan: I’m going to do that—

Ms. Sarah Campbell: Yes, just a simple total cost, just a simple figure would be more than sufficient.

Hon. Michael Chan: —but I just want you to know that there are some good things in there that we are doing, like creating 505,000 jobs and creating a vibrant community—

Ms. Sarah Campbell: Minister, can you please answer the question?

Hon. Michael Chan: I will do that.

The Chair (Mr. Michael Prue): Ms. Campbell, I’m sorry; I couldn’t get in. There’s less than a minute left.

Ms. Sarah Campbell: Oh. Okay. Very briefly, I just—

Hon. Michael Chan: I’m going to get back to you on the details about your question by the deadline.

Ms. Sarah Campbell: Could you please answer the question, very briefly?

Hon. Michael Chan: Go ahead, very quickly.

Mr. Steven Davidson: The cost of the village includes \$514 million, which is the flat-rate contract to the construction firm, Dundee Kilmer. On top of that, bringing it up to \$709 million, are the site preparation fees or costs, as well as the fees for Infrastructure Ontario. So, the total cost of the construction of the village is \$709 million. That may be mitigated in the future through the sale of portions to affordable housing unit operators, George Brown College for their residence and so on.

The Chair (Mr. Michael Prue): The time has expired. I’m sorry; we just got too heated in there to get the two-minute warning.

Now 20 minutes to Ms. Damerla.

Ms. Dipika Damerla: Minister, we have been hearing the opposition and the media talk about this concept of having two budgets for the games. From what you have said, I think I understand there’s a provincial investment in the games as the host jurisdiction that is separate from the funds that TO2015 require to deliver the games.

The opposition have stated that they were shocked to learn that the investment in the athletes’ village is not part

of the TO2015 \$1.4-billion budget. Perhaps the opposition can explain how it is that we have with us a press release that MPP Rod Jackson issued: “The cost of the Pan Am Games will be \$1.4 billion not including the athletes’ village.” So perhaps we really need—

The Chair (Mr. Michael Prue): One moment. You appear to be directing the question at the Conservatives. Please direct the question to the minister.

Ms. Dipika Damerla: I was just making a rhetorical point, Chair. “The cost of the Pan Am Games—”

Interjection.

Ms. Dipika Damerla: I’m going to quote again what MPP Rod Jackson has in his press release: “The cost of the Pan Am Games will be \$1.4 billion not including the athletes’ village.” So the shock seems a little feigned.

Minister, you have been clear in stating that the athletes’ village is part of the province’s host jurisdiction responsibilities. In fact, since 2009, it has been publicly stated that this is an investment separate from the \$500 million the province is contributing to TO2015’s overall budget of \$1.4 billion. In the 2013 Ontario budget, the athletes’ village project, as a part of the West Don Lands revitalization, is again highlighted as a separate investment in the legacy of the games.

Minister, our colleagues are at best clearly confused, so I want to give you a chance to clear up the confusion around this issue.

Mr. Rob Leone: Point of order, Chair.

Ms. Dipika Damerla: Can you explain to us why the costs of the athletes’ village are not included in TO2015’s budget?

The Chair (Mr. Michael Prue): Now, before you answer, a point of order from Mr. Leone.

Mr. Rob Leone: Yes. Under standing order 23, Chair, I would say that the member opposite was impugning motive by suggesting that we were confused. I think we’re actually quite clear in our position, so I’d ask the member to withdraw that comment.

The Chair (Mr. Michael Prue): I don’t think that there was anything that overstepped the bounds, so I’m not going to ask her to withdraw that question. I am going to ask, though, that the minister respond to the question.

Hon. Michael Chan: I thank you very much for your question. You used the word “confused”; I talked about that when I was talking to MPP Sarah Campbell regarding these village costs related to the \$1.4 billion, and perhaps it is good to make it clear one more time what is being said on being surprised. Two weeks ago, the member here, Mr. Rod Jackson, seemed to be surprised that the village cost is not included in the \$1.4 billion that 2015 has to deliver and stage the games. But then back in—I think it was May—according to his own website, actually, he did mention that the village cost was over and above the \$1.4 billion.

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Also, I discovered—he talked a lot publicly, and I think in one exchange with a radio station he actually conflicted that fact by mentioning that he knew that for two years. So it’s quite confusing. He really confused the

members in estimates. It's unfortunate that something happened this way.

Right now, it's clear. The village, which, back in 2009—it was mentioned publicly by, of course, newspapers, that this was outside the \$1.4 billion for 2015 to deliver the games.

You mentioned the host jurisdiction responsibilities. Allow me to make it clear what Ontario's responsibility is, being the host, in terms of funding the games. Ontario will put \$500 million into 2015. At the same time, the federal government will put in \$500 million, again into TO2015. At the same time, local government plus donors will add about \$400 million, again, to put into 2015. That will give you a total of \$1.4 billion for 2015 to stage and deliver the games.

But Ontario, as the host, has other responsibilities. On top of the \$500 million that Ontario put into 2015, the other responsibility is that we have to look after public transportation, security, and also enhancement of the games. Back in August of this year, we announced \$42 million for what we call PCL, which is promotion, celebration and legacy enhancement of the games. Subsequently, we announced \$3.5 million to help build the Trans Canada Trail. Those are the enhancements of the games.

Again, the host jurisdiction—let me do it one more time; I want to make sure that people understand this. Ontario will put \$500 million into 2015 and leverage a total of \$900 million from the feds and from the local government, adding up to \$1.4 billion. At the same time, being the host jurisdiction, we will look after the transportation as well as the security. Again, this is very common. It happened the same way for Vancouver, for the London games, for the Glasgow games, which are coming up, and the past Pan Am Games as well.

I'll give you an example here: Vancouver had VANOC, which was delegated to deliver and host the games, but the government of British Columbia enhanced the games by putting about \$150 million on the PCL; \$150 million on the promotion, celebration and legacy of the games. Again, my point here is that it was very common in past games that the host jurisdiction enhanced the games. At the same time, the host jurisdiction has to look after the transportation of the public as well as the security, to make sure that the games are welcoming as well as secure, that people feel safe to come to Toronto and the Golden Horseshoe area to watch the games. So there's a lot of work to be done in the next one year and 10 months.

There's one point here too—you probably may ask, "Look, what happened to the transportation? What happened to the security?" I look at the Vancouver games, too. They talked about the security and, because it's complex, it involved a lot of moving parts and a lot of planning and possible mid-term changes. I remember the Vancouver games, the number for transportation able to land a number about 12 months to the games.

So this is, again, quite common. It happened in many past games. Deputy, maybe you can add on about the structure and the protocol.

Mr. Steven Davidson: Sure. Maybe it would be helpful if I put this in the context of the ministry's estimates specifically in terms of where this money all resides. As the minister mentioned, the organizing committee, TO2015, has a \$1.4-billion budget. The province's contribution to that is \$500 million. That transfer payment for that is to be found in the secretariat's estimates. Within the secretariat's estimates, you would find the annual transfer to TO2015: the 2013-14 portion of the \$500 million that's flowing this year.

In addition, the capital investment in the construction of the athletes' village is also accounted for in the secretariat's estimates. Previously, we've mentioned the budget for the secretariat itself. That's, obviously, included in the estimates. Then, the \$42-million investment in promotion, celebration and legacy initiatives that the minister has just spoken about is also within the secretariat's estimates.

It's important to keep in mind that, as the minister has said, the government has a range of responsibilities and is making a variety of investments. Those are substantially reflected in the P/PAGS estimates. The \$1.4-billion budget of TO2015 sits with TO2015, and, as we've said, our contribution to that is \$500 million.

I would only add, with respect to transportation planning and security planning, that another responsibility of the secretariat is to lead, in coordination with our partner ministries, negotiations with municipalities for municipal service delivery. There will be negotiations to be undertaken in terms of level of service and funding obligations amongst all the partners. That planning continues to be under way.

As the minister noted, in other games, it's quite typical that final numbers against transportation plans and security plans are not finalized until closer to the games. But at this juncture, two years out, planning is well under way amongst the partners, and we're confident that those costs will be more firmly defined in the months ahead.

Ms. Dipika Damerla: Thank you, Minister, and thank you, Deputy Minister, for that very, very comprehensive and clear answer. I trust that members of the opposition now are quite clear on this issue and will stop expressing outrage and shock, even though it stretched credibility in the first place, given that their own press releases said they knew that there were two different budgets. Regardless, we hope that it has all been clarified.

As a follow-up, Minister, it is fair to say that planning, funding and accounting for the expenses of these games is a shared responsibility. I note that the board consists of representatives from sporting communities, city hall and the Conservative government in Ottawa. Can you explain the shared role that each of these groups play in ensuring the committee is responsible with public dollars, and any response or initiatives undertaken by these groups to strengthen the function of the board and the Pan Am 2015 Games?

Hon. Michael Chan: I think my past answer to the opposition members is quite clear. The TO2015 board—they have a total of three reps from the federal govern-

ment; three provincial; the COC, the sport community, has four members there; and one from the Paralympics environment. So this is a shared responsibility between the federal government, the provincial government and also the local governments.

I'm going to pass it on to the deputy in terms of the technical about these shared responsibilities. He can clearly explain it to the estimates members.

Go ahead.

1020

Mr. Steven Davidson: Certainly. The minister has already described the composition of the board, so I won't repeat that. But I will say, because I'm not sure this point has been made, that the chair of the board is appointed from amongst the three provincial representatives, so there is an accountability lever for the province with respect to the appointment of the chair.

In addition to that, in terms of the province's oversight to ensure accountable expenditure of the \$500 million of provincial investment in the \$1.4 billion, there are a variety of mechanisms that have been deployed. The first, which has existed from the beginning, is the transfer payment agreement between the government of Ontario and the organizing committee. The federal government has a similar transfer payment agreement to govern the terms for use of its \$500-million contribution. This is the fundamental agreement in terms of articulating the province's expectation with respect to the board's conduct and expenditure of the provincial funds.

We've talked about how that has been supplemented. First, chronologically, was the inclusion of TO2015 as a separate institution under the Freedom of Information and Protection of Privacy Act, to bring greater transparency to its conduct. That is not a typical measure taken with respect to non-agency transfer payment recipients, so that's a further accountability tool that the government put in place with respect to its relationship to the board.

In addition to that, there are a number of directives that apply to broader public sector entities that receive more than \$10 million. We've discussed already, I believe, that 2011 was the first year when TO2015's annual allocation was at or above \$10 million. So on April 1 of the following year, it came under those directives. So in terms of accountable use of public funds, the broader public sector expenses directive and the broader public sector procurement directive apply to them.

The government also introduced Infrastructure Ontario, to play a leadership role in TO2015's delivery of major construction projects. The greater confidence and assurance that the government has through the alternative procurement model that Infrastructure Ontario adopts ensures that risk is transferred out, and risk to government and TO2015 is minimized. That was another lever that the government had and chose to exercise.

So, in terms of the relationship between the government and the organizing committee, there are a variety of tools.

Fundamental to it all is the authority and responsibility of the provincial government and the federal government

to approve the organizing committee's business plan. There was an initial version of the business plan that was approved by both levels of government. TO2015 is now actively engaged, as they move from strategic planning into much more on-the-ground, detailed operational planning, in the process of securing approval of a revised business plan. That's an additional authority that both the province and the federal government have.

Ms. Dipika Damerla: Chair, how much time do I have?

The Chair (Mr. Michael Prue): About a minute.

Ms. Dipika Damerla: Okay. I just want to thank you very, very much again for a very comprehensive answer, Minister and Deputy Minister.

Just a point of clarification: How many people does the federal government appoint to this board?

Hon. Michael Chan: Three.

Ms. Dipika Damerla: Three. So that would be the same as the provincial government?

Hon. Michael Chan: That's right, yes. The same as—

Ms. Dipika Damerla: And I heard you say, Deputy, that the federal government is involved in approving the business plan for the games. Would that include the expenses?

Hon. Michael Chan: Definitely, yes. They also—

Interjection.

Hon. Michael Chan: Yes, the federal government does have those responsibilities in terms of approving the expenses, including the structure of the salary and bonuses as well.

Ms. Dipika Damerla: You were going to say?

Mr. Steven Davidson: But I should clarify that the specific expenses would not be approved by either level of government. It's the policy—

Ms. Dipika Damerla: No, I'm talking about the guidelines.

Mr. Steven Davidson: —and the guidelines. So the responsibility of the province is to ensure, under the broader public sector accountability directive, that a policy is in place. When the minister—as he has had—has concerns about that policy, his lever is to engage with the board to direct them to review their policy and tighten it up more.

Ms. Dipika Damerla: So what I am getting from you is—

The Chair (Mr. Michael Prue): I'm going to have to stop you. The time is up.

We are going to recess now until 3:45 this afternoon, approximately. At the end of routine proceedings, everyone please be here. When we come back, there are 54 minutes remaining, which will allow an 18-minute rotation for each party, starting with the Conservatives. Also, because there is a possibility, if not too many motions or other things get in the way, that we will finish with this ministry this afternoon, we have invited the Minister of Health to be available.

We are recessed till this afternoon.

The committee recessed from 1025 to 1600.

The Chair (Mr. Michael Prue): We'll call the meeting to order. Two things first before we get into the last round of questioning. The first is that all members should have a copy of a letter dated today from Minister Chan giving the documents he promised to get this morning. That's very fast service. Thank you.

Hon. Michael Chan: Thank you, Michael.

The Chair (Mr. Michael Prue): Okay. Secondly, there is a total of 54 minutes which will be divided equally, which means 18 minutes per caucus, starting with the Conservatives. This is the last round. It's yours. Which one wants to go first?

Mr. Rod Jackson: Eighteen minutes, did you say?

The Chair (Mr. Michael Prue): Eighteen minutes. Mr. Jackson?

Mr. Rod Jackson: Yes, thank you.

Minister, earlier today, you mentioned that, with respect to your relationship with the partnership of TO2015, you have the opportunity to be able to make suggestions and recommendations to the board. Is that correct? Did I understand that correctly?

Hon. Michael Chan: Of course. Definitely.

Mr. Rod Jackson: Now, you are also on the record, you and the Premier, as saying that you believe some of those unpaid expenses—pardon me, expenses that were unreceipted. I think we can all agree around this table, and hopefully you will too, Minister, that it's appropriate to provide receipts for expenses to be repaid. Would you agree that that's reasonable?

Hon. Michael Chan: Okay. We talked about that the last time and also we talked about it publicly, including we talked about that in the House. Okay. In terms of those receipts, definitely we had items that you had concerns. Definitely I had concerns as well. At TO2015, they did have a policy in place last year, in April, and the policy—

Mr. Rod Jackson: They violated their own policy.

Hon. Michael Chan: —was in place there. After that, they put in expenses, and a subsequent audit—you mentioned this morning about an audit. After the audit, then we discovered there are items of concern. That's why it resulted in, at TO2015, the policy being strengthened.

I want to get back to you—when you get to those expenses. As long as those expenses are out of line of that policy in place, which is April 2012—any item that is out of line, and I said that before, we want those monies back. I hope I'm clear on this one for you this time.

Mr. Rod Jackson: Okay. So, Minister, just to be clear, you're saying that any expenses that were outside of their policy—and the audit did find that, since 2010, there's been a number of items that have been outside of their own policy—you're going to ask for that to be repaid.

Minister, a good example of this are the items that were claimed on expenses but no receipts were provided. So for an item like that, are you saying that since 2010 you're going to ask for the board members who got paid for expenses that were unreceipted—you're going to ask them to pay that money back?

Hon. Michael Chan: Again, you talk about those receipts, and what I tried to state here is that the policy in place back in April 2012—any expenses that are out of line of that policy, we are going to ask for the money back. Okay? I was very clear. Again, the ministry is right here. We're still working on it. I think at TO2015 they have said—allow me to recollect. I think they have said that there are no items where they feel that there are expenses out of line of that particular policy back in April. So we are checking on it. Again, if there is outside that, we want those expenses to be paid back.

The Premier has said that the expenses are unacceptable. I have said that those are irritant factors. I don't like it. I don't enjoy it. So in terms of anything that we can recover under the rule, we're going to do it.

Mr. Rod Jackson: Okay. Just to clarify, your answer is yes? You will ask for that money to be repaid? There was an audit done over a year ago that had inappropriate expenses that were not within—the audit says: the expenses approval and reimbursement process for the expenses of TO2015 does not comply with the BPS expense directive. In other words, they were not in compliance with their own rules. The expenses that were not in compliance with the rules, with the BPS expense directive: You are going to ask for all those to be paid back from 2010 to present, yes or no?

Hon. Michael Chan: I think I've answered that a few times, Mr. Jackson.

Mr. Rod Jackson: Just a simple yes or no. I'm having a hard time finding my way around your answer.

Hon. Michael Chan: April 2012—there's a policy in there. The policy governs, and for any items that are out of line with that particular policy, we'll ask for the money back. Maybe you can further explain if that is a requirement; I've been trying to tell him about the policy and the timing and the expenses.

Mr. Rod Jackson: What I'm really looking for here, Minister, is a commitment from you to provide a letter to TO2015, asking them to repay all expenses that were inappropriate and outside of the BPS expense directive from the beginning of the institution of TO2015 to present. Will you do that?

Hon. Michael Chan: You're asking me to write a letter to the board?

Mr. Rod Jackson: I'm asking you to—

Hon. Michael Chan: Let me rephrase that so I make sure I understand you correctly; allow me to do that, please. Are you asking me to write a letter to the TO2015 board asking them to refund the money to us for any item that was not in compliance—that was out of line—with the policy that was implemented in April 2012; that's when they implemented the policy. Are you asking me to write that letter?

Mr. Rod Jackson: I'd like you to write a letter, not from 2012, but from the beginning of the institution—

Hon. Michael Chan: Oh, 2012 is the time the policy was implemented. Do you want me to write a letter for all expenses from 2010 up to October 31?

Mr. Rod Jackson: Let's be clear about what I'm asking here, Minister.

Hon. Michael Chan: Okay.

Mr. Rod Jackson: In 2012, there was an audit completed.

Hon. Michael Chan: Right, completed in July.

Mr. Rod Jackson: Just a little over a year ago—October 2012, I believe—there was an audit completed that found that TO2015 expenses were not within the BPS expense directive. We know that. You knew that over a year ago. And if you didn't, Minister, you should have. What that audit is telling us is that before 2012—as far back as 2010—there have been inappropriate expenses claimed by members of TO2015. I can only assume—and I believe you would assume and agree as well—that there are also inappropriate expenses to current, so from 2012 to present.

What I would like you to do, as the minister responsible—hopefully responsible—for the Pan Am Games, is ask them to pay back all inappropriate expenses outside of the BPS expense directive. There's an audit out there that outlines in detail what the violations were. Will you ask them, in a letter from your office, on your letterhead, to pay back those expenses?

Hon. Michael Chan: Basically, you're asking me about those items from 2010 to April 2012.

Mr. Rod Jackson: To present.

Hon. Michael Chan: That's a time before the policy was implemented, right?

Mr. Rod Jackson: But we also understand—

Hon. Michael Chan: They implemented the policy in 2012. You're asking me to retroactively look at those expenses.

Mr. Rod Jackson: Yes, I am. But, Minister, be clear: This audit was done and was completed in 2012. They didn't audit the future. They audited 2010, 2011 and up to 2012, correct? What I would like—I'm actually kind of stunned that this is a difficult request; in fact, I'm surprised your answer isn't just yes, because that's the easy way out of this, Minister. Why don't you just hold them accountable and ask them to repay the inappropriate expenses that were found in the audit from 2012 and any other inappropriate expenses that have been found since? Will you do it? Yes or no? If no, why not?

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Hon. Michael Chan: Okay. I think this is a bit of a correction of what you just said. The policy implemented in April 2012—after three months, those expenses came in, and then in July, there was an audit done on those three-month items. After that particular audit, of which you have a copy, there were items of concern.

I think the feedback and the board engaged, so the resulting conversation resulted in the policy being strengthened in May 2013, which is this year. Those items being audited are really the three months. Correct me if I'm wrong on that.

Mr. Rod Jackson: Yes—

Hon. Michael Chan: But to make sure that you understand: Those items on the audit that you're holding

are from April to July. Those are the expensed items that were related to the audit that we supplied you with last week.

Mr. Rod Jackson: But presumably, Minister, you know more of the expenses. It's actually mentioned in the audit that the secretariat is responsible for the provincial portion of TO2015's budget, for financial oversight. You, Minister, are responsible for the secretariat, so what I would like to know is, are all inappropriate expenses from 2010—or whenever the actual institution of TO2015 was started—to the present going to be paid back? That's what I would like to know.

You, whether you know it or not, Minister, are responsible for the financial accountability of the secretariat, who are responsible for the financial accountability and oversight of the provincial portion of TO2015. What I would like to know is, will you exercise your responsibility and authority to ask the TO2015 board to repay expenses that were inappropriate, from that audit and from any other piece of information that we've received since then? Yes or no? I'm frankly stunned that you wouldn't agree to do this. I thought this would actually be quite a short period of questioning on this issue.

Hon. Michael Chan: I'm surprised that you keep asking the same thing, because—

Mr. Rod Jackson: Well, because I'm not getting an answer, Minister.

Hon. Michael Chan: When there's a policy implemented—

Mr. Rod Jackson: Are you responsible for the Pan Am Games? Let's go back to the very beginning. Are you responsible for the Pan Am secretariat?

Hon. Michael Chan: Definitely. I'm responsible for the Pan Am Games. Definitely.

Mr. Rod Jackson: Yes?

Hon. Michael Chan: Definitely.

Mr. Rod Jackson: Okay. The Pan Am secretariat is responsible for TO2015 financial oversight. That's a fact. I'm not even asking you that question; I'm telling you. If you don't know, Minister, you just learned that today.

Mr. Rick Bartolucci: Mr. Chair?

The Chair (Mr. Michael Prue): Yes?

Mr. Rick Bartolucci: Listen—

Mr. Rod Jackson: I have the floor. Do I?

The Chair (Mr. Michael Prue): No, you have the floor, but I think this is a point of order—

Mr. Rick Bartolucci: It's a point of order.

The Chair (Mr. Michael Prue):—and I think you are straying. Mr. Jackson, a little bit too far.

Mr. Rick Bartolucci: This is estimates. Is this within the realm of estimates or not?

The Chair (Mr. Michael Prue): It is within the realm of estimates to ask questions of the minister and ministry on the line items. We do grant some latitude, but I would ask Mr. Jackson, if at all possible, to try to be civil. I know you're frustrated getting the answers you want, but Mr. Chan, the minister, is answering the questions, I hope, to the best of his ability. He's not—

Hon. Michael Chan: We are answering the questions. I keep telling him that, look, there is a policy in place.

After the policy is in place, they have to comply to the policy. If an item is outside of policy, money back.

Mr. Rod Jackson: Minister, I'm not asking you about your policy. What I am asking you for is, will you agree to ask them to pay the money back that was inappropriately expensed, that was found in the audit, that we received from your office at the eleventh hour of that week that we asked for it? Will you agree to accept oversight and responsibility and act on it? Will you do it?

Mr. Rick Bartolucci: Mr. Chair, is this within the realm of estimates? I don't know how—

Mr. Rod Jackson: Minister, will you or will you not—

The Chair (Mr. Michael Prue): Mr. Jackson—

Mr. Rod Jackson: I have the floor, don't I?

The Chair (Mr. Michael Prue): No, no. A point of order is being made.

Mr. Rod Jackson: I didn't hear him say, "point of order."

The Chair (Mr. Michael Prue): This is a point of order, I take it.

Mr. Rick Bartolucci: It is a point of order, yes.

The Chair (Mr. Michael Prue): All right.

Mr. Rick Bartolucci: I guess I need a ruling. Is this within the realm of estimates?

Mr. Rob Leone: Can we stop the clock?

The Chair (Mr. Michael Prue): If Mr. Jackson can show that it's related to a line item, yes, it is.

Mr. Rod Jackson: It's related to the audit.

Mr. Mike Colle: What line item?

Mr. Rob Leone: I can refer you to the page. Page 21 of 149 of the results-based plan briefing book. It's in here.

The Chair (Mr. Michael Prue): Then I accept that it's within the line item. He is entitled to ask any question, provided it's a line item in the results-based plan briefing book.

Back to Mr. Jackson.

Mr. Rod Jackson: So, Minister, honestly, I'm not trying to be as difficult as it seems. I am a little bit frustrated, though, Minister. I have to say if the shoes were on my feet I would clearly be asking the board to pay that money back. I know you're not happy about it. You've said so and the Premier has said so. Will you hold them accountable? Will you stand with us today and ask them to pay back the money that they have inappropriately expensed to the people of Ontario? You're the guard at the gate. You're the guy that's supposed to be taking care of this. Will you, yes or no?

Hon. Michael Chan: You could understand that, too. The policy in place is the policy implemented in place in April, so for any item moving forward over the line, we're going to ask for the money back. Now, before that, there was also a different policy in place internally. Well, if they broke that internal policy, then we ask for the money back. We've got to be fair to the people. I mean, if there is a policy implemented—

Mr. Rod Jackson: We've got to be fair to the people of Ontario. We've got to be fair to the taxpayer—

Hon. Michael Chan: It was a policy implemented in April I'll tell them to follow. Moving forward, they have to follow. Any item that's out of the line of that particular policy, then I'm asking them for the money back. I think that's really fair—

Mr. Rod Jackson: Okay, Minister, when you make expense claims, do you provide receipts for your expense claims? Do you provide receipts for your expense claims?

Hon. Michael Chan: But before that, also, there was also an internal policy and if they broke that—

Mr. Rod Jackson: I'm not asking you about your policy, Minister. I'm asking you, will you actually answer the question?

The Chair (Mr. Michael Prue): Please, one at a time, Mr. Jackson, you have two minutes left. Please be specific and hopefully you can get your answer.

Mr. Rod Jackson: I can't be more specific than, will you ask them to pay back inappropriate expenses? I'm not asking about your policy. I expect that you provide receipts for your expenses, and I expect them to provide receipts for their expenses. Will you ask them to pay back the money that they have expenses for without providing receipts, yes or no?

Hon. Michael Chan: Mr. Jackson, you've got to understand that different policies come at different times—

Mr. Rod Jackson: I'm not interested in the policy. If there's a policy out there, Minister, that says that you don't have to provide receipts, then there's a bigger problem here.

Hon. Michael Chan: I'll give you an example here. We strengthened the policy. Imminently we'll be strengthening the policy. According to what you're asking, you're telling me that after strengthening the policy, we're going to go back and tell them, "You know what? They strengthened the policy and it applies retroactively. I want the money back." Look, we have to act responsibly as well. So I'm telling you it's April—there's a point of order over there.

Mr. Mike Colle: On a point of order, Mr. Chair—

Mr. Rob Leone: Can we stop the clock?

The Chair (Mr. Michael Prue): There is only 15 seconds left. I cannot stop the clock. What is your point of order?

Mr. Mike Colle: My point of order is, can we just agree that with any inappropriate expenses that violated policies, that they pay the money back. We're in favour of that. I think that's what we're trying to get.

Mr. Rod Jackson: That's the answer I was looking for. If that's his answer—

Mr. Mike Colle: Yes, and whether the policies were then or after—

The Chair (Mr. Michael Prue): Alright, well, unfortunately that is the end of the time. I thank you for your intervention and for your questioning.

Mr. Miller, your 18 minutes.

Mr. Paul Miller: That was the good cop; now the bad cop.

Hon. Michael Chan: You changed professions?

Mr. Paul Miller: That's right. Minister, good afternoon.

Hon. Michael Chan: Good afternoon to you.

Mr. Paul Miller: Okay. My first question: The July 2013 audit report noted that any procurement above \$750,000, within budget, is to be only approved by TO2015's chief executive officer and he's not required to present it to the board. Why has a more appropriate threshold not been established, and does one man have that much power for \$750,000 and over?

Hon. Michael Chan: You finished your question?

Mr. Paul Miller: That's my question.

Hon. Michael Chan: Okay, Paul, you're talking about a very technical situation here. I'm going to defer that to you—

Mr. Paul Miller: Technical?

Hon. Michael Chan: Well, it's technical when you go into that.

Mr. Paul Miller: It's right in your report.

Hon. Michael Chan: The deputy will answer you on that.

Mr. Paul Miller: All right, I'll take the technical guy.

Mr. Steven Davidson: I will, if you'll allow, ask Nancy Mudrinic, the ADM responsible for financial and risk management oversight with 2015, to answer more fully. But I would just say that the procurement audit was an audit of TO2015's compliance with the procurement directive that they came under on April 1, 2012.

Mr. Paul Miller: And who issued that?

Mr. Steven Davidson: So that is—

Mr. Paul Miller: Did that come from the ministry?

Mr. Steven Davidson: No—well, from the provincial government.

Mr. Paul Miller: Thank you.

Mr. Steven Davidson: That's under the Broader Public Sector Accountability—

Mr. Paul Miller: It still came from the ministry. Thank you.

Mr. Steven Davidson: So the audit was intended, in the early days of implementation, to assess their compliance with an audit.

Nancy, maybe you can talk more specifically to the threshold question?

The Chair (Mr. Michael Prue): Ms. Mudrinic, could you please state your name before you start speaking so Hansard and the recording get it correct?

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Ms. Nancy Mudrinic: Nancy Mudrinic. I'm the ADM of risk management and financial oversight. Toronto 2015 is under the Broader Public Sector Accountability Act for procurement, and they follow the rules according to that, and develop guidelines and policies for their procurement.

Mr. Paul Miller: Question?

Ms. Nancy Mudrinic: Yes.

Mr. Paul Miller: The guidelines were established by the board. The fox was guarding the henhouse. They set up their own system; is that not correct?

Ms. Nancy Mudrinic: As a part of their approval, the board sets up their system according to the requirements—

Mr. Paul Miller: Would that be yes?

Ms. Nancy Mudrinic:—under the Broader Public Sector Accountability Act.

Mr. Paul Miller: But the broader public sector was issued by the government, sent down to 2015; 2015 dabbled with it and set up their own rules for expenditures—their own rules for expenses. I'm not quite sure there was a lot of dialogue that went back to the procurement office, whether the directives were—obviously some of the directives were breached. Even the minister said there were some problems there.

My question to you is: How did one man become allowed to make a decision of over \$750,000—I don't need to know what they do; I know what they do. I want to know why Mr. Troop, I imagine—is that the gentleman?—was allowed to make decisions of over \$750,000 procurement by himself, without even going to the board. That is unheard of. That's a lot of money. Was that a yes or a no, he was allowed to do that?

Ms. Nancy Mudrinic: The board sets the policies on approvals for that, so—

Mr. Paul Miller: The board is appointed and set up by Mr. Troop; is that not true—

Mr. Steven Davidson: No, no, no.

Mr. Paul Miller: Hold it; hold it. You guys had a directive sent down from the procurement—

Mr. Rick Bartolucci: Mr. Chair, on a point of order: Could Mr. Miller please allow the people to answer the question before he interrupts them?

Mr. Paul Miller: With all due respect, Mr. Chairman, it is my dime. I don't need you to analyze my question. If they have a problem with my question, they'll answer; they don't need you to answer for them.

Mr. Rick Bartolucci: Mr. Chair, on a point of order—

The Chair (Mr. Michael Prue): Hold on. We need to be civil here.

Mr. Paul Miller: They're using up time.

The Chair (Mr. Michael Prue): Yes, I know that.

Mr. Paul Miller: I know what they're doing.

The Chair (Mr. Michael Prue): Mr. Miller is correct, it is his time, but I would ask Mr. Miller—these three individuals have been very co-operative in answering your question—if you would give them just a little bit more time to finish the sentence before coming in.

Mr. Paul Miller: Okay. Mr. Chairman, I agree with you that they have been very polite, but they're not answering my direct question. My direct question was this: Was that man allowed to make decisions on \$750,000 and over by himself, without anyone else's decision? Yes or no?

Mr. Steven Davidson: So the first point, though, is: Mr. Troop reports to the board. As Nancy said, the board approves the policy; Mr. Troop, as CEO, is responsible for implementing the policy.

Mr. Paul Miller: So yes, then?

Mr. Steven Davidson: So if the threshold set by the board was as you describe, then he would be within his authority to make those decisions, but I can't confirm actually whether or not that's the case.

Ms. Nancy Mudrinic: According to the audit, it does indicate that the board required procurements above \$750,000 to go to the board, but below that, the CEO is able to approve it, and that was their board policy.

Mr. Paul Miller: That's not what I read. This is in the actual audit report: "It was noted that any procurement above \$750,000 within budget is to be only"—I repeat, "only"—"approved by the TO2015 chief executive officer and is not"—I repeat, "not"—"required to be passed by the board." That's what it says right here in the audit report. So that's correct, then?

Ms. Nancy Mudrinic: That's what the audit report says.

Mr. Paul Miller: So yes, it is correct. This gentleman was allowed to make those decisions at \$750,000 and over. That's the end of that question; that's fine.

My next question is, "The auditor also noted that a contract for non-consulting services was signed for \$150,000, but the actual payments were \$599,000 and had no supporting documentation that was provided." Can the minister explain to me why such drastic unsupported increases have been permitted under your watch?

Hon. Michael Chan: Again, you are talking about an item that is technical. I do have to refer to the deputy and perhaps the ADM—

Mr. Paul Miller: Okay, sure. That's in the audit, and I'll give you the page, if you like—

Hon. Michael Chan: —to explain to you, because there are hundreds of items in there, and—

Mr. Paul Miller: I'll give you the page. It's page 26. I'll repeat the question, if you'd like. I'll do it again: "The auditor also noted that a contract for non-consulting services was signed for \$150,000"—signed—"but the actual payments were \$599,000 and had no supporting documentation that was provided." Can the minister or whoever explain why such drastic unsupported increases were permitted under his watch? It's page 26.

Mr. Steven Davidson: So I'll provide two points to the answer. First, and I'm not saying this in any way to explain beyond the fact that this was in the early days of the establishment of TO2015, and prior to them coming under the BPS directives.

Mr. Paul Miller: What year would that have been, 2011?

Mr. Steven Davidson: Possibly.

Mr. Paul Miller: I think it was April 2011, but okay.

Mr. Steven Davidson: The second part of the answer is, as you'll notice at the bottom of the page, the auditor went on to provide recommendations to TO2015. Over the page on page 27 is the TO2015 management response, where they undertake to ensure that both policies and performance are in compliance with the directive.

Mr. Paul Miller: Thank you for that answer, but my question is—it's a little foggy for me: \$150,000 was the

limit. It went to \$599,000 with no supporting documentation. How many more of those situations happened before the new directives were put out? Where did the money go? Who has it? What was it spent on? I'd like to know that. This is just one incident. It could have happened more than once during that period from 2010 to 2012. That's a big gap. That is a 500% increase on what they were allowed to do. I want to know what happened to all that other money and where it went. I'd like that information, please. I'll provide you with anything you need.

Mr. Steven Davidson: So I would just say, though, that this was an audit that undertook to audit a sample of procurement contracts. It wasn't comprehensive—

Mr. Paul Miller: Well, maybe it should be.

Mr. Steven Davidson: The information we'll be able to request from TO2015 will be information that was within the scope of the audit, I suspect.

Mr. Paul Miller: Well, I'm sure the auditors, if they did a forensic audit, would certainly be able to get more details than a sampling. I'm suggesting to you that a forensic audit might be in order here because these are pretty scary numbers that went with no supporting documentation. If this is just one incident, how many more took place in that period before the new directives were sent down by the ministry? I have great concerns about where that money went, and I'm sure the Auditor General and her forensic team will be able to find that out for me. I'd like to know. That's that question done with.

The Chair (Mr. Michael Prue): Can I just ask, are you asking for documentation?

Mr. Paul Miller: Yes, I'm asking for information on where that money went, on this particular one, and are there any more that had no supporting documentation?

The Chair (Mr. Michael Prue): Okay. Thank you. That's a request for information.

Mr. Paul Miller: My third question is this: Why did the Pan Am management opt not to follow the October 2012 audit report recommendation to require written approval for travel expenses? Why were claims for individual medical expenses made by the Pan Am board members rather than through a health plan, which they could have done a lot cheaper?

What I'm saying is I have documentation that shows that certain individuals' family members, who weren't directly working for the Pan Am Games board—wives had medical attention wherever they were travelling or whatever. I guess that was part of Mr. Troop's contract? Normally when I travel, I have to take additional insurance if I'm going out of country, and I don't have the taxpayers pay for it; I pay it out of my own pocket through the automobile club. I'm wondering, what did he set up, and what other things did he set up that we don't know about?

1630

I can show you the documentation, because it was in one of the parcels that I received, that certain wives received medical treatment—not that I would refuse them medical treatment. But I'm wondering, who paid for that,

and was that part of his expense deal that he had set up with the TO2015 board? If it was, I have concerns, because most Ontarians have to pay for travel insurance themselves when they go anywhere. Especially if they're in the private sector, they have to pay. Was this one of the deals he cut? Was that covered in the \$700,000 that he's going to get for just hanging around for an extra year? Is that covered in that? I'd just like to know where it fits in. I'll provide you with that document—

Hon. Michael Chan: I think it's important to let me know the item—you know, the date. Okay? The date—

Mr. Paul Miller: I'll give you a copy of it.

Hon. Michael Chan: —the date of the expense.

Mr. Paul Miller: Yes.

Hon. Michael Chan: Because the audit—

Mr. Paul Miller: I think it happened in South America somewhere.

Hon. Michael Chan: —basically checked on those items from April to July. Okay?

Mr. Paul Miller: Okay. Yes.

Hon. Michael Chan: You talked about the audit on those limited time items.

Mr. Paul Miller: Yes, the audit.

Hon. Michael Chan: Maybe the one that you're talking about is before that time so it's not being picked up by these—

Mr. Paul Miller: Well I would like to know what deal covered that, who covered it and why they covered it—

Hon. Michael Chan: You're going to find out.

Mr. Paul Miller: —and why they covered it and did he cut that?

The Chair (Mr. Michael Prue): The minister has said he will find out, but I have a point of order from Mr. Bartolucci.

Mr. Rick Bartolucci: A very, very quick point of order: We are covered for out-of-province travel—

Mr. Paul Miller: MPPs.

Mr. Rick Bartolucci: MPPs are, yes. You said we weren't.

Mr. Paul Miller: No. I said when I travel, I take additional insurance because it's not enough to cover us. I'll give you an example, Rick. When you go to Cuba, we're not covered.

Mr. Rick Bartolucci: I think you're wrong, and you better check—

The Chair (Mr. Michael Prue): Okay. This is your time. If you want to—

Mr. Paul Miller: I'm not talking about MPPs. I'm talking about Mr. Troop.

Interjections.

Mr. Paul Miller: Don't switch the game here.

The Chair (Mr. Michael Prue): The floor is yours. You do not have to respond to him. It is not a point of order.

Mr. Paul Miller: Right. He's out of order.

The Chair (Mr. Michael Prue): It's your time.

Interjections.

Mr. Paul Miller: Thank you again. I probably would have thrown him out by now.

Now we're going to move on. I'd like to talk about Ontario Place.

Hon. Michael Chan: Okay.

Mr. Paul Miller: I'd like to receive a copy of the RFP that was issued, as well as the criteria for choosing the successful landscape architect. The current RFP process is silent on condo development, yet John Tory's report recommended that a third of the land be dedicated to condo development. At what point will the public learn the government's intention to undertake condo development and how will the public use of this land be maintained?

Hon. Michael Chan: At the moment you mention about the RFP, this is strictly the RFP for the urban park?

Mr. Paul Miller: Right.

Hon. Michael Chan: Hopefully we can name it Pan American Park when it's all done. You talk about the condos. This is the ultimate development of Ontario Place. By the way, the residential is a suggestion in the competitive—from the John Tory report, and there are many, many suggestions. For example, it can be a technology centre. There can be some kind of institution there, some kind of cultural institution as well—educational. So it's really the suggestions from the report. Then we are kind of still in stage 2, preparing the land, and after that's done, there will be further revitalization.

Definitely I know that—especially the people down in the Toronto area there, they're so attached to Ontario Place. Right now, the good thing is that the park is coming out for Pan Am and then again the ultimate revitalization we will be moving on.

Mr. Paul Miller: Speaking of the park, it's my understanding that 600 kids have lost their summer jobs because of the closing of the park. What percentage of the total government summer student job offerings is that? What impact on the student unemployment rate will this have? And what overall impact on youth in the Toronto area will this have?

Hon. Michael Chan: I remember when we closed Ontario Place, the Minister of Finance provided additional spaces for summer jobs to—

Mr. Paul Miller: Where would that be, Minister?

Hon. Michael Chan: I will give you the number because that was provided two years ago—

Mr. Paul Miller: But where would they work?

Hon. Michael Chan: —and I remember Minister Duncan mentioned it because of this loss of summer youth employment. The Minister of Finance would pick it up from other areas. That's my recollection. But then in terms of—you want these numbers? Definitely we can provide the number.

Mr. Paul Miller: Okay.

The Chair (Mr. Michael Prue): Two minutes.

Mr. Paul Miller: Okay. Are there any plans under way to improve public transit to Ontario Place, back and forth?

Hon. Michael Chan: Again, at the moment we are able to launch the development of the park. Allow me to repeat. Right now, we have done stage 1, to prepare the

land, and stage 2 is imminently completed after that, and then we will go either with an RFQ or an RFP, depending on the ultimate model of Ontario Place. In terms of any plan for transportation, there's no plan yet. I know it's important for the ultimate model, having—

Mr. Paul Miller: So there's no plan for transit.

Hon. Michael Chan: —transportation eventually.

Mr. Paul Miller: Eventually. Okay.

Hon. Michael Chan: It really depends on the model.

Mr. Paul Miller: Right. You just have the RFP, but you don't have a plan for transit. Okay, I understand that.

Hon. Michael Chan: Paul, it really depends on the ultimate model for Ontario Place.

Mr. Paul Miller: Okay, next question: Is the re-development on track to be completed with the 2015 Pan Am/Parapan Am Games for the RFP—is it on time? Will the development of the percentage of the condos there—and apparently, a percentage of the project was supposed to be for public housing; that percentage hasn't been determined. These units that they're putting in for the athletes, when they reuse them after the games are done for whatever purpose, what kind of retrofits and how much is it going to cost to bring them up to the situation—are you going to sell it to private developers, or is the government going to have a hand in this? How are you going to bring it up to a level to make it accommodating for people to live in on a permanent basis? What are you doing?

The Chair (Mr. Michael Prue): You've got 10 seconds only.

Hon. Michael Chan: I've got 10 seconds only. Paul, you mentioned 2015; the Pan Am part will be ready. For Ontario Place, according to a John Tory report, we would like to see a final model by 2017. That's for the 150th anniversary of Canada. Again, the final model, of course, is not finalized because we need the RFP or RFQ in order to strike a final model. It can be educational; it can be cultural; there can be some residential units; there can be a shopping mall in there. Again, we are going to move forward, hopefully by 2017, to be able to land one and be happy with all the people.

Mr. Paul Miller: Thank you.

The Chair (Mr. Michael Prue): To the government, you have 18 minutes.

Mr. Rick Bartolucci: Thanks very much, Chair. Let me start off by simply clarifying the record so that all members around this table know what they're covered for and what they're not covered for. "Out-of-country medical coverage"—this is in our booklet of benefits—"Effective January 1, 2009, the plan"—

Mr. Paul Miller: Point of order, Mr. Speaker.

The Chair (Mr. Michael Prue): Point of order, but this is his 18 minutes, the same as yours.

Mr. Paul Miller: I'm not questioning his 18 minutes; I'm just doing what he did—stalling for time. The bottom line is, I didn't ask him for an MPP's coverage; I asked him what Mr. Troop's coverage is. So I fail to see the connection between what I asked and what he's explain-

ing. He's just spinning his wheels. If you want to spin your wheels, go ahead.

Mr. Rob Leone: On the same point of order.

The Chair (Mr. Michael Prue): But that is not a point of order well taken. On a point of order, Mr. Leone.

Mr. Rob Leone: Well, this one is a point of order, because I don't believe that is in the estimates. I'd like Mr. Bartolucci to point out in the estimates booklet exactly where the MPP insurance plan comes into play with the estimates of the Ministry of Tourism, Culture and Sport.

Mr. Rick Bartolucci: Mr. Leone—

The Chair (Mr. Michael Prue): I think his point may be well taken. If you can point—

Mr. Rick Bartolucci: There's absolutely no question, but within the context of a discussion of estimates, the statement was made that when he or his wife travels out of country, they have to buy their own insurance. The reality is, MPPs are covered. It says: "If you or your dependents leave the country temporarily for business, pleasure or for educational/training purposes and the expenses arise due to emergency or unexpected sudden illness"—

Mr. Paul Miller: Mr. Speaker, point of order.

The Chair (Mr. Michael Prue): On another point of order. First of all—

Mr. Paul Miller: With all due respect, this has nothing to do with estimates. He's just spinning wheels here.

The Chair (Mr. Michael Prue): If you would allow the Chair to make that statement, you're absolutely right. Mr. Bartolucci, this has nothing to do with estimates. The questions are on estimates of the minister and the ministry, not whether—

Interjections.

The Chair (Mr. Michael Prue): Order, please. Mr. Bartolucci, please limit yourself to questions that are contained within the estimates book. This is not a forum to say whether somebody asked an improper question. The questions have to be asked of the minister and the ministry, and it has to be contained within the results-based plan briefing book.

Mr. Rick Bartolucci: Thank you very much.

Interjection.

The Chair (Mr. Michael Prue): Mr. Bartolucci still has the floor, unless he cedes it to you. Mr. Bartolucci, are you finished?

Mr. Rick Bartolucci: I'm turning it over.

1640

The Chair (Mr. Michael Prue): Ms. Damerla, the floor is yours.

Ms. Dipika Damerla: Thank you, Chair. Minister, both you and the Premier have been stating that these are the most open and transparent games. In fact, I understand that it was our government that brought the organizing committee under the Freedom of Information and Protection of Privacy Act. That is how the media was able to obtain the expense records for TO2015 executives. I don't believe that it was possible to find such

detailed financial information as this during the Vancouver Olympics or the previous Pan Am games in Guadalajara.

On the topic of the expenses and in light of the audit report that was tabled with the committee a few weeks ago, Minister, could you please explain to us the actions you and your ministry have taken to ensure that there will be greater accountability going forward?

Hon. Michael Chan: Thank you very much for your question. You're right, you know. The Vancouver games and the ones down in Mexico: They are not so transparent because they don't have FIPPA. Our government was able to put TO2015 under the FIPPA, the Freedom of Information and Protection of Privacy Act. That's why the executive salaries are on the sunshine list and so on.

We are really, really transparent and also accountable in terms of accountability compared to other games. You mentioned the Vancouver games and also the Mexico games. Yes, we are moving forward with what we have. Maybe the deputy can follow up a little bit on the technicals about the sunshine list and all this.

Mr. Steven Davidson: Oh, certainly. TO2015 is covered by the Public Sector Salary Disclosure Act. As we've mentioned, the government did specifically include them under the Freedom of Information and Protection of Privacy Act, through regulation. The government also separately established the Pan/Parapan Am Games Secretariat as a separate institution under FIPPA as well to provide greater transparency and clarity. The secretariat was formerly within the Ministry of Health Promotion and Sport; now it's attached to the Ministry of Tourism, Culture and Sport. It continues as its own institution under the FIPPA Act.

If I may, just in the interest of transparency, this morning when I was talking about the host jurisdiction expenditures which are within the Pan/Parapan Am Games Secretariat estimates, I included the \$42 million that was announced in the summer for celebration, promotion and legacy. In fact, that was in your treasury board approval. So if you look for it you won't find it in the printed estimates for 2013-14, but it will be included in the quarterly financial reports and in the public accounts for 2013-14. So I just wanted to note that for the record.

Ms. Dipika Damerla: I'm going to—

The Chair (Mr. Michael Prue): The floor is still yours until you cede it.

Ms. Dipika Damerla: Okay. I believe that my colleague MPP Colle wants to ask a question.

The Chair (Mr. Michael Prue): All right, then, you cede it. Mr. Colle?

Mr. Mike Colle: Thank you, Mr. Chair. I have a special interest in music. As you know, the mayor of Toronto led a delegation to Austin, Texas, just last week to sign an agreement with the city of Austin to have a declaration that Toronto and Austin would collaborate in developing a music city, as they do in Austin. I'm just putting this in context for everybody because sometimes those of us that aren't that familiar—and I'm not that

familiar, but there's a lot of people who work in music and in the music industry in all of southern Ontario. Film, arts and music, especially, I think, is about a \$10-billion industry in Austin, Texas. It's huge. It's for tourism, production of music and commercialization.

The question I have is that I know the city of Toronto has now done this effort to sign this partnership with Austin, Texas. In your budget there's the allocation of funds for—I think it's called Music Ontario, if I'm not mistaken?

Hon. Michael Chan: Ontario Music Fund.

Mr. Mike Colle: Okay. Could you explain to me if that's going to be able to be deployed by the city of Toronto in its efforts to develop the commercialization of music, and how is that program going to help what the city of Toronto is doing?

Hon. Michael Chan: I think it's separate from what they're doing. This Ontario Music Fund is a program that we developed in the province. What actually, Mr. Colle, led to this development is that over the years, I had the opportunity to visit many places, like Windsor, Oshawa, Waterloo, Kitchener—many places. There are these so-called life music events and I discovered that there a lot of people there, a lot of audiences. It came to my mind, you know what, oh God, this music industry can really thrive.

I dug deeper into the file and I discovered that 80% of the music activity and revenue actually happens in Ontario. Canada-wide, 80% of the music industry economy is running in Ontario, so I think it is good for Ontario to further strengthen the music sector. That's why.

Mr. Mike Colle: How will you do that through this Ontario Music Fund?

Hon. Michael Chan: I'm getting into that now. That's why in the budget this year we were able to add, over three years total, \$45 million for the Ontario Music Fund. The purpose is to help the music organizations for recording or help them to develop the business and also strengthen the live music performances in Ontario.

It's good that you ask because we are quite imminently going to roll out the program for the sector. We'd like to see that roll out within a month. This is fantastic news for the music industry because this is really the first time for many years that we are able to really go into the music sector and so clearly show our support of the music sector. I think the sector is very pleased because it's a significant investment, again, of \$15 million per year over three years. So far the reaction is very good and, again, the program—

Mr. Mike Colle: Wouldn't it be possible—I know in Sudbury, there's quite a viable music industry that feeds the north, and Toronto, Hamilton—

Hon. Michael Chan: Everywhere, basically.

Mr. Mike Colle: But is it possible to maybe look at teaming up with some of the cities that are doing the same type of work through economic development so the partnership could be between the province—

Mr. Paul Miller: Point of order.

The Chair (Mr. Michael Prue): On a point of order.

Mr. Paul Miller: I'd just like to inquire: Are we talking about the musical events at the opening of the Pan Am Games here or what? I'm a little confused.

Hon. Michael Chan: It's culture. What are you talking about?

The Chair (Mr. Michael Prue): No, no. His questions are in order. This is the estimates.

Mr. Paul Miller: Oh, so he's talking about something else.

The Chair (Mr. Michael Prue): It's something else. Just as you asked questions about Ontario Place, he's asking questions about this.

Hon. Michael Chan: It's not about Ontario Place.

Mr. Paul Miller: I was hoping for a big show.

Mr. Mike Colle: No, it's a \$45-million investment the province of Ontario—

The Chair (Mr. Michael Prue): Please continue.

Mr. Paul Miller: I was confused. I didn't know about this.

Mr. Mike Colle: Yes, obviously.

Mr. Paul Miller: Thanks.

Mr. Mike Colle: No, I understand that, because everybody was talking about the other stuff. I just wanted to make sure that this wasn't forgotten.

I just hope that there are ways whereby these investments you're making could also partner with what the cities are doing because they've already, again, invested money too. I hope that you're looking at that too.

Hon. Michael Chan: Mike, I think your idea is fantastic. Definitely, we can collaborate with the local government, whether that be Toronto or Thunder Bay or Sudbury or even if the federal government wants to chip in, I'd be more than happy. We can leverage—collaboration, co-operation, we can do it better. Your point is well-taken, and I'm going to pass it on to the deputy to make sure that where we can fund those opportunities, definitely, we should.

1650

Mr. Steven Davidson: Yes, we can. I would just clarify that municipalities won't be eligible, but trade organizations and consortia of music companies that can partner with local economic development organizations in municipalities will be eligible. So municipalities can be part of broader partnerships.

Mr. Mike Colle: Which they are. Anyway, I'm supposed to defer back to my colleague because she has a very important question.

The Chair (Mr. Michael Prue): Ms. Damerla.

Ms. Dipika Damerla: Thank you, Chair. Minister, you and the Premier have repeatedly said that there will be a lot of benefit to the province from the Pan Am/Parapan Am Games, and we've all seen you over the last year at so many press conferences and media events, announcing different aspects related to the games, such as the venues, the athletes' village or the promotion, celebration and legacy funding announcement. Needless to say, there will be a lot of tangible and intangible benefits that will be brought to Ontario before, during

and after the games. Could you please explain to us what some of these benefits are?

Hon. Michael Chan: Thank you very much for the question. We all know that these Pan Am Games are the first time for Ontario to host such a sizable multi-sport event. These are really big games for us because, after the Olympic Summer Games, this is the largest one. It's very comparable to the summer Asian Games.

There are tremendous benefits. Talk about jobs: It will create 26,000 jobs, generating about \$3.7 billion to our economy. According to a CIBC recent report, Ontario will attract 350,000 visitors. On top of that, of course, the athletes, the coaches, the officials are all coming—another 10,000 people in there. It's tremendous.

One piece here is also tremendous: It's the legacy. When I talk about legacy, it's the capital infrastructure that we're able to build. For example, we're going to have three Olympic-sized or standard pools in the Toronto area. We're going to have a stadium in York University. Those are facilities for young people to use for decades. Those are very, very beneficial to Ontario.

Look at the athletes' village happening in the West Don Lands. We all know that previously the area was quite deteriorated. After the games, a vibrant community will be created, with a YMCA in there and a George Brown residence, affordable housing use, and some units will be sold to recover some of the costs. So the Pan Am is really, really able to deliver a lot of big benefits to Ontario.

Yes, the footprint is quite large. It's good as well because Welland—they're able to have a flat waterway, which is already in use, two years ahead, before the game time. Even in my own riding, which is Markham, we're going to have a new pool, a new field house for water polo, for badminton and things like that. Once it's done, that facility will be used by people for decades to come.

Again, it's big for Ontario. I am very, very happy that, at the moment, all the capital infrastructure is on time and under budget. The number we have at the moment is \$50 million under budget.

The Chair (Mr. Michael Prue): Okay.

Ms. Dipika Damerla: How much time—

The Chair (Mr. Michael Prue): No, no. The 18 minutes has now expired.

This concludes the committee's consideration of the estimates of the Ministry of Tourism, Culture and Sport. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote?

Mr. Rob Leone: What page are we on?

The Chair (Mr. Michael Prue): If you look through the—

Mr. Paul Miller: Recorded vote.

The Chair (Mr. Michael Prue): On everything?

Mr. Paul Miller: How many are we talking about?

The Chair (Mr. Michael Prue): There are one, two, three, four, five, six, seven, eight, nine—11 votes.

Mr. Paul Miller: At the end, then.

The Chair (Mr. Michael Prue): All right. Now if you look through here, you'll find, about halfway through the book, I think around page—starting on page 63. Each yellow indentation is a separate vote. The ministry administrative program is 3801. All right?

Mr. Mike Colle: We're going to have to get copies of it.

The Chair (Mr. Michael Prue): I can explain to you what each one is, and I will do that so that everybody knows. The members are now ready to vote. The first vote is 3801, which is the main office vote.

Shall 3801 carry? Carried.

Shall 3802, which is tourism, carry? Carried.

Shall 3803 carry, which is sports and recreation? Carried.

Shall 3804 carry, which is tourism and cultural capital? Carried.

Shall 3805 carry, which is the culture program? Carried.

Shall 3806 carry, which is the Ontario Trillium Foundation? Carried.

Shall 3807 carry, which is the seniors' secretariat? Carried.

Shall 3808 carry, which is the Ontario cultural media tax? Carried.

Shall 3809 carry, which is the Pan/Parapan Am Games? I heard some noes. By a show of hands—unless there's anybody who wants a recorded vote.

Mr. Rob Leone: Recorded vote.

The Chair (Mr. Michael Prue): On a recorded vote on 3809, the Pan/Parapan Am Games.

Ayes

Bartolucci, Colle, Damerla, Mangat.

Nays

Clark, Leone, Nicholls.

The Chair (Mr. Michael Prue): That carries.

Shall the 2013-14 estimates of the Ministry of Tourism, Culture and Sport carry? Carried.

Shall I report the 2013-14 estimates of the Ministry of Tourism, Culture and Sport to the House? Agreed? Carried.

You may have noticed that we had intended, at this point, to take a small recess and reconvene with the Ministry of Health—

Mr. Rob Leone: Chair, it may not be a point of order, but I realize that in the Legislature, I believe, they're talking about—

The Chair (Mr. Michael Prue): That's what I'm doing.

Mr. Rob Leone: Oh, you are? Okay.

The Chair (Mr. Michael Prue): We were to have reconvened with the Minister of Health and Long-Term Care and the ministry officials. However, since this is a matter that is currently before the House, we cannot do so. Therefore, for today the committee will have to adjourn. For tomorrow, we will be instructed by the Clerk in the morning, as soon as we know what the orders of the House are going to be in the afternoon, and we won't know until they're called. Be prepared to be here, although there is a possibility we will not proceed again tomorrow if it is a health matter before the House.

If the members are advised, that being all the business we can conduct today, we are adjourned, and we will advise as soon as possible tomorrow whether or not we are convening in the afternoon. Meeting adjourned.

The committee adjourned at 1658.

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Mardi 29 octobre 2013

**Standing Committee on
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Ministry of Health
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**Comité permanent des
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 29 October 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 29 octobre 2013

*The committee met at 0902 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Michael Prue): I call the meeting to order. We are here today for the consideration of the estimates of the Ministry of Health and Long-Term Care for a total of 7.5 hours. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer.

Any questions before we start? We're all old hands at this. Okay.

Interjection.

The Chair (Mr. Michael Prue): Sorry, I'm being advised to wait in case the order is changed. If it is an order involving the minister, we have to go on to transportation or something else.

Interjection.

The Chair (Mr. Michael Prue): No, we can't. We can't even do it. I'll continue, and then if we need to—

Interjections.

The Chair (Mr. Michael Prue): I'll continue. I am now required to call vote 1401, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then the minister will have 30 minutes for a reply. The remaining time will be apportioned equally amongst the three parties.

But before I give over the floor to you, we'll just make sure that they're not changing the order. G105, okay. So we don't have to worry.

Madam Minister, the floor is yours.

Hon. Deborah Matthews: Thank you, Chair. Members of the committee, members of the public, thank you for the opportunity to speak here today.

For the fifth year, it is my pleasure to appear before this committee as Minister of Health, a role in which I have the privilege of working to improve the health of Ontarians and to safeguard and strengthen the province's cherished health care system.

Last year, I spoke to you about six months after I launched our government's action plan for health care. Our action plan started a major system transformation, and as a result, our health care system is going through one of the most significant periods of change since the introduction of medicare.

The action plan set out to tackle a twin challenge: the fiscal challenge and the demographic challenge. Health care spending in Ontario, as in other jurisdictions in Canada and around the world, was growing at an unsustainable rate. At the same time, we need to contend with a demographic shift as our population grows and our population ages.

If we don't change how we care for our seniors, health care spending will increase by 50% in the next 20 years, and that is before inflation. In particular, people with multiple, complex health problems require a disproportionate percentage of our health care resources.

We are very fortunate to have first-rate doctors, nurses and other health care professionals working here in Toronto. They are doing their part. But our system can be too hard for patients to navigate.

Ontario families want to know that there is a plan in place to ensure their parents and their grandparents, their kids and their grandkids get the care they need. At the same time, they want to know that they are getting best value for their tax dollars. That's why I've been absolutely determined to make the changes necessary to ensure that Ontario families have a world-class health care system they can rely on, today and tomorrow.

Today, more than 18 months after the launch of our action plan, I am pleased to say that the transformation of our health care system is in motion. Our initiatives are gaining momentum, and we will continue to build on them as we go forward. The entire health care sector is stepping up to the challenge, and we are seeing the results that are achieved when we work in partnership together.

The transformation taking place in Ontario has clear fiscal targets. Under the previous government, the health care system experienced deep, across-the-board cuts. When our government took office, we invested heavily—and strategically—to rebuild the health care system.

When the economy was strong, funding for health care grew at an average of 6% to 7% annually under our government. But with slower economic growth and our deficit reduction goal firmly in sight, that level of growth

is simply not sustainable. The results are in. Last year, we bent the cost curve and are holding the line to about 2% annual growth. I am equally determined to sustain this momentum going forward by keeping health spending growth at 2% this year and each year thereafter for the foreseeable future. To put this challenge in context, a 1% increase in the health budget is equivalent to the budget of nine other ministries, so achieving this goal means getting full value for every dollar we invest in health care.

We're equally determined to protect the gains we've made in health care since 2003. We have achieved this terrific result through strong action in a number of areas. The first one I'd like to talk about is drug system reform. Starting in 2006, our government has been implementing major reforms to the province's prescription drug system. We have:

- lowered the cost of generic drugs by 50%, to 25% of the cost of the original brand name drug for Ontario's public drug system;

- eliminated professional allowances to make Ontario's drug system more accountable;

- ensured that pharmacists are fairly compensated for helping patients by increasing dispensing fees and paying for additional pharmacy professional services provided to patients; and

- supported access to pharmacy services in rural communities and underserved areas with new dedicated funding.

In April 2012, we further reduced the cost of the top-selling generic drugs by an additional 5%. Our drug reforms have produced savings of about \$750 million in 2012-13 for the ministry's drug programs, savings that we were able to reinvest elsewhere in the health care system. Overall average spending increases on drugs is being held below 2% each year.

I'm also pleased to say that with Ontario taking the lead, most provinces and territories are moving toward a pan-Canadian price-setting initiative. Participating provinces and territories have agreed to establish a price point for six of the most common generic drugs at 18% of the equivalent brand name drug. These drugs represent approximately 20% of the publicly funded spending on generic drugs in Canada.

We're also working with the provinces and territories to negotiate listing agreements to support the reimbursement of new products under the public drug programs. This work has been led by Ontario and Nova Scotia. As of September 1 this year, we have completed 18 agreements, and negotiations are under way on 15 more. When fully implemented, this initiative could produce savings of up to \$100 million for provincial and territorial drug plans.

Now turning to the OMA agreement: When I appeared before you last July, we were in the process of restarting negotiations with the Ontario Medical Association. Since then, we reached an agreement that was ratified with the support of 81% of Ontario's doctors. The negotiations

were tough, but now physicians are true partners in helping us to transform health care.

The 2012 physician services agreement is designed to improve patient care, achieve better value for our health care dollars and allow Ontario to make new health care investments where they are needed most: in home care for over 100,000 more seniors. Under the OMA agreement, patients will benefit from 1,100 new doctors, with more options for access to virtual care, increased access to primary care for high-needs patients, and 30,000 more house calls this year.

Together, our government and the OMA have identified additional net savings of approximately \$400 million over two years, all of that reinvested to offset forecasted growth in physician services from an aging population and new doctors entering the system.

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The agreement makes important evidence-based changes to doctors' fees so that we're paying the right amount for physician services and so that we're sharing the productivity gains that come from new medical technologies with patients.

We're partnering with doctors in physician-influenced system reforms. Importantly, the 2012 physician services agreement holds the OHIP physician services budget at \$11.1 billion annually until March 2014. Going forward, the 2014 physician services agreement negotiations present an opportunity to work with physicians on a joint vision for the future and the right incentives for the best care.

I want to speak about funding reform. One of the most important ways we're bending the cost curve is through health system funding reform, affectionately known as HSFR. With HSFR, we are ensuring that our hospitals' budgets are based on the characteristics of the population they serve, how many patients they see, the services they deliver and the quality of care provided. This means hospitals are becoming more accountable for the funding they receive and the services they deliver.

Going forward, funding is determined in two ways: first, through the health-based allocation model, known as HBAM, based on the health care needs and demographic characteristics of the local population; and secondly, through quality-based procedures where targeted health services are funded on a price-times-volume basis.

Funding for quality-based procedures, or QBPs, is based on evidence and encourages value for money, improved patient outcomes and consistently high-quality care across providers. In 2012-13, we set price- and evidence-based care pathways on four QBPs: hip replacement, knee replacement, chronic kidney disease and cataract surgery. Moving forward with year 2 of funding reform, we're adding six additional treatments to the list of QBPs this year, including stroke, congestive heart failure and systemic chemotherapy. This is a major change for Ontario's health care organizations. That's why we're working closely with them to ensure that we continue to

move forward at a brisk but manageable pace to get this done.

I want to take this opportunity to thank our health care leaders for their leadership in working with us to make this transformation possible.

I want to be clear that our small rural hospitals face different challenges. That's why they're not subject to health system funding reform. In the last budget, the small hospital sector received a 1% funding increase to recognize their unique needs. We also annualized our \$20-million transformation fund for small and rural hospitals to help them improve care.

Now let's turn our attention to the demographic challenge that we're addressing with health system transformation. The first aspect of that are new investments in home and community care. To help care for our aging population, our government has committed to increased community health care investments. The home and community care sector is a key enabler of the action plan. Care at home and in the community is more affordable than care in hospitals or long-term-care homes, and it is, without question, where people want to stay for as long as possible. That's why our 2013 budget earmarked an additional investment in the home and community care sector of \$260 million in 2013-14. That's a 6% increase this year, building on a 4% increase from the year before, and it means that over the past two years, we've created 76,000 more home care spaces, with another 30,000 more in the pipeline for next year. To care for more people at home, an additional three million personal support worker hours are being provided over the same period.

Part of this year's budget investment will help reduce wait times for patients who require nursing services and those with complex needs requiring personal support services. The target is to provide services to these individuals within five days of a CCAC assessment.

Again, I want to commend our partners in the home care sector for their work towards achieving this target.

We remain firmly committed to our Home First philosophy, which puts the right supports in place to help our seniors get home after they've been hospitalized. This has resulted in a significant reduction in ALC days, alternate-level-of-care days, in our hospitals. That's 25% province-wide—a 25% reduction in ALC days. It's also resulting in shorter waits for long-term care because people are getting the support they need at home.

Long-term-care homes should be reserved for those who really need the level of care provided there. That's why we've announced 250 additional short-stay beds in long-term-care homes across the province to help up to 1,500 more seniors get out of hospital sooner so they can move back home. Those of you who met with the Ontario Long Term Care Association yesterday heard about the success of that investment.

I want to mention the role of the Ontario Telemedicine Network. They're implementing Telehomecare in several LHINs, which makes it easier for seniors with complex conditions to manage their care at home. Over the past year alone, there has been a 50% increase in the number

of patients using telemedicine, providing better, more convenient care closer to home at a lower cost.

We know that seniors would rather age and receive care at home, close to their families and their friends—and, I'm learning, their pets—with the right supports in place.

Our Seniors Strategy: Healthy aging is all the more important when you consider that over the next 20 years, the population of seniors 65 and over will more than double from 1.9 million today to 4.2 million in 2036. Today in Ontario, about 14.6% of the population is 65 and over, yet we spend nearly half our health care budget on their care.

We're very fortunate to live in a time and place where citizens are living longer than ever. However, these greater life expectancies also mean our chances of living with chronic illness or disability have increased, putting additional pressure on our health care system.

So reform cannot wait. We need to take steps today to ensure the sustainability of health care, social programs and community supports that we need.

That's what led to the development of our Seniors Strategy and the appointment of Dr. Samir Sinha as our executive lead. During his widespread consultations, Dr. Sinha and his team quickly discovered that the concerns of older Ontarians are far-reaching. They cover health care, but they also cover social services, housing, transportation and community services.

Dr. Sinha's report is really about the social determinants of health that support healthy aging. It's about the physical, emotional, intellectual, spiritual, social and environmental wellness of older Ontarians. That means keeping seniors healthy is not only my ministry's job, but it's the job of all ministries and all sectors.

However, many of his recommendations were directly related to health care. The report recommends that we do more to support unpaid caregivers, especially when their tremendous support and dedication allows so many older Ontarians to live at home as long as possible. That's why our government remains committed to family caregiver leave.

Another recommendation underscores the importance of strengthening access to primary care to improve the health of older Ontarians. As a result, our government has committed to ensuring that every older Ontarian who wants one has access to a primary care provider.

We also responded to Dr. Sinha's recommendations by expanding access to physiotherapy, exercise and falls prevention programs for seniors and eligible community patients across Ontario. We want to keep seniors as healthy as possible, and in the community and at home as long as possible. That's why, in April, we announced that Ontario will expand access for an additional 200,000 seniors and patients to high-quality physiotherapy, exercise and falls prevention programs.

Before our changes, many people in this province had no access to this care in their communities. Furthermore, in recent years, billings for physiotherapy increased by 18% to 20% annually—the fastest-growing expenditure

in all of health care—but gaps in physiotherapy care across Ontario continued to persist.

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For instance, there were only two physiotherapy clinics designated to provide government services—only two—in northern Ontario. Both were in Sault Ste. Marie. So that meant people in Sudbury, for example, might be eligible, but there was no clinic where they could receive care. That's not okay, so we fixed that problem. People in the north had to either travel to the Sault or pay out of pocket for those services.

Most of the increase in billings—that 18% to 20% annual increase that I'm talking about—was the result of exercise classes being billed to OHIP as if it were physiotherapy. Through audits, we've recently been made aware of the depth of inappropriate OHIP billings, which is why we put an end to this practice.

Under the new system, the number of publicly funded physiotherapy clinics is doubling across the province, and 12 of our 14 LHINs have cleared the wait-lists for in-home physiotherapy. Exercise and falls prevention classes are being offered in more locations, including long-term-care homes, retirement homes and in communities across Ontario.

Many seniors have come to rely on the services they received under the old model. The good news is, they will continue to receive the care they need, whether it's physiotherapy, exercise or falls prevention.

Eligibility for publicly funded physiotherapy is not changing. Long-term-care residents and patients in the community will receive the number of physiotherapy treatments they require in order to recover from their injury, their illness or their surgery, either at home or in community clinics. We're very pleased that these reforms are supported by the Ontario Physiotherapy Association, the College of Physiotherapists of Ontario, the Canadian Physiotherapy Association and the Ontario Home Care Association.

It's clear that a lot of work has been done to transform health care. Now we need to sustain the momentum we've created.

I was encouraged by a recent Conference Board of Canada report, which gives Ontario's health care system an A across 90 indicators in four categories. What struck me most about the findings was that spending more health care dollars does not necessarily translate into better performance.

The report confirms what we've known for some time: The problem isn't that we're not spending enough; the problem is that we're spending some of it on the wrong things. We need to maximize health care investments by shifting a number of services into more appropriate and cost-effective settings, ensuring that the services are provided at the right time and in the right place, while meeting the highest-quality standards of care. That's why, this year, we will look to move appropriate procedures out of acute care settings and into the community.

We started with the establishment of two community-based birth centres, one in Toronto and one in Ottawa, to

provide women with more choice on where to have their babies. The two centres are expected to assist with a total of 900 to 1,000 births annually.

Last fall, we further expanded services at the Kensington Eye Institute, where approximately 300 cornea transplants are now taking place over the course of a year. Waiting lists are already improving.

We need to keep the momentum going. So, over the course of 2013 and 2014, we're planning calls for proposals to establish non-profit specialty clinics focused on other routine procedures, including colonoscopies, dialysis, hip and knee surgeries and MRIs. These services would be funded just like the quality-based procedures in our hospitals.

Offering these services in the community means that patients can get care closer to home, with an improved patient experience. This shift will allow our hospitals to focus their efforts more on acute care.

I want now to talk about hospital infrastructure. Since 2005, we've invested more than \$14 billion in health care infrastructure. We've built the following new or expanded hospitals: William Osler in Brampton Civic Hospital; the Royal Ottawa Health Care Group; the West Parry Sound Health Centre; Peterborough Regional Health Centre; Thunder Bay Regional Health Sciences Centre; Mattawa General Hospital; Runnymede Healthcare Centre; Bloorview Kids Rehab; L'Hôpital régional de Sudbury Regional Hospital; Pembroke Regional Hospital; Sioux Lookout Meno Ya Win Health Centre; Sault Area Hospital; North Bay Regional Health Centre; Woodstock General Hospital; Sarnia's Bluewater; Niagara Health System at St. Catharines; and Bridgepoint Health. And the following projects are under construction: St. Joseph's Health Care London; St. Joseph's Healthcare Hamilton; Cornwall Community Hospital; Halton Healthcare Services; Humber River Regional Hospital; and Women's College Hospital. In total, 23 hospitals right across this province have either been built or are under construction. In addition, there are over 100 major capital projects.

Long-term-care homes also have an important role to play. That's why we are redeveloping 35,000 long-term-care beds, to ensure modern homes are available to our long-term-care residents. Since 2003, over 11,000 long-term-care beds have been redeveloped and more than 9,000 new beds have been built.

If we're going to improve care and get better value for our health care investments, we must have a laser-like focus on those who need health care the most. Research shows that one third of the health care budget is spent on just 1% of Ontarians, while 5% of patients account for two thirds of our health care budget. Many of these patients are seniors with complex, multiple needs, people with mental health issues or those with chronic conditions. Seventy-five per cent of seniors with complex needs who are discharged from hospital receive care from six or more physicians—six or more physicians in addition to home care, community services, pharmacists and a range of other health providers.

Frequently, the care seniors receive from all these providers is not coordinated, and that can lead to duplication, poor patient care and higher costs to the health care system. All too often, gaps in care can result in preventable trips to the emergency department. Even a 10% reduction in the cost of care for those Ontarians would save about \$2 billion, funds that could be reinvested in the system.

That's why we're focusing our efforts on these high-needs patients through the establishment of community health links. Health links have had a remarkable start, and are truly a health care movement from the ground up. Health links bring together all of the health care providers in a given geographical area with one goal in mind: coordinating care for the highest-needs patients. That means patients, family members, family doctors, specialists, home care nurses, hospitals, community health services, pharmacists and others are all at the same table, with the same goal, and that is to provide the best-quality, highly coordinated care, with the patient at the centre.

When I announced Health Links last December, there were 19 early adopters, 19 communities who wanted to be there right from the beginning. We're now up to 37, and more will be added across Ontario. We look to the day when all of Ontario will have a health link.

Health links build collaboration among health care providers. By coordinating care, they truly do put the patients at the centre. Each patient will have an individualized, personalized care plan developed by providers and the patient, who plays a central role in creating the plan so that it focuses on what is really important to that individual.

With improved coordination and system information-sharing, patients will receive faster care and spend less time waiting for services, and with their family health care provider at the heart of their care plan, we're fulfilling our action plan promise to provide faster access and a stronger link to family health care. Health links tap into the motivation of providers to do a better job for their patients. They chose health care as a career to make a real difference in patients' lives.

Our government will play its part too. My ministry will be there to provide advice and guidance, share best practices among health links and, more importantly, remove barriers and drive innovation across the province. I look forward to sharing more of the success stories coming from this exciting development over the coming year.

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The action plan's goal of providing the right care at the right time in the right place requires that all our health care professionals work to their full scope of practice. This especially applies to nurses, nurse practitioners, dietitians, pharmacists and midwives. We've expanded pharmacists' scope of practice even further to provide more services to patients and improve their access to care.

Starting last fall, Ontarians five years of age and older can go to participating local pharmacies where specially trained pharmacists give them their flu shot. That connection to pharmacies in communities across Ontario has helped to ensure continuity of care.

The Chair (Mr. Michael Prue): If I can just break in, you have two minutes.

Hon. Deborah Matthews: I have so much more to share.

The Chair (Mr. Michael Prue): I know, but there is an option, if the committee agrees, to allow you to finish and take that off the back end. I know that there's more.

Hon. Deborah Matthews: Sure.

The Chair (Mr. Michael Prue): Would that be acceptable?

Mr. Rob Leone: That's their back end.

The Chair (Mr. Michael Prue): It's theirs. It would come off the minister's turn. The minister has another half—okay.

Hon. Deborah Matthews: Okay, then I'll carry on.

The Chair (Mr. Michael Prue): Then carry on and finish, and we'll take that time off the end. Okay.

Hon. Deborah Matthews: Thank you. So last year's integration of pharmacies into the Universal Influenza Immunization Program was very successful. Pharmacists administered about a quarter of a million flu shots in local pharmacies. More and more pharmacists are being trained to administer injections. This flu season, we expect 2,000 pharmacies will now offer the flu shot—triple the number of last year.

The flu shot is one of a number of new services that pharmacists can now provide. Premier Wynne also committed to expand the scope of practice for registered nurses and registered practical nurses so they can dispense medication in specific circumstances.

Regulated health professionals, like nurse practitioners, nurses and dietitians, are working hard as members of health care teams across the province to reduce wait times and improve access to care in hospitals, community health centres, long-term-care homes and family health teams. And our dedicated midwives have helped bring 22,000 new Ontarians into the world—one of them my granddaughter—up significantly from 8,000 births just a few years ago.

And here's another fact: In 2003, Ontario screened for only two genetic diseases. Now we screen—newborn screening—for 29, saving the lives of an estimated 1,000 babies at no cost to parents. We're now in discussions with our provincial counterparts on how to increase newborn screening nationwide.

Overall, access to care has improved for patients, thanks to 200 family health teams, 25 nurse-practitioner-led clinics and 76 new community health centres. The vast majority of Ontarians—93%—now have access to a family doctor. If you're a person with diabetes, that number is 100%. And we're working, as I said, to provide a family doctor or a nurse practitioner to every senior who wants one.

Through our successful Wait Time Strategy, we've cut key surgical wait times in half. I'm very pleased to say that Ontario is once again the national leader in reducing wait times for five priority health services, according to a report card issued by the Wait Time Alliance. For the sixth consecutive year, the Wait Time Alliance gave Ontario straight As for meeting performance targets in reducing wait times for hip replacements, knee replacements, cataract surgery, radiation oncology and cardiac services.

The report also gave Ontario straight As for reducing wait times for non-admitted patients in hospital ERs—87% of ER patients are getting treatment within the eight-hour target for complex patients and four hours for less urgent patients. That means better care when people need it the most.

I'd like now to turn our attention to health promotion. The first pillar of our action plan is keeping Ontario healthy. It's part of our ultimate goal to make Ontario the healthiest place in North America to grow up and grow old.

We know that people want better health, not just more health care. Government can't do it alone, but we can help, and one of the ways is to continue the fight against smoking. Every year, tobacco-related disease costs the province an estimated \$1.9 billion in direct health care expenses.

We've already accomplished a great deal with Smoke-Free Ontario, and we renewed the strategy for a further five years.

As part of our plan to help smokers who want to quit, 45 community health centres across the province now provide over-the-counter nicotine cessation aids and counselling at no cost to smokers. As well, 11 community health centres are about to launch free nicotine replacement therapy. Currently, over 23,000 patients are enrolled in these programs.

Ontario has launched two more innovative smoking cessation initiatives, partnering with workplaces and 11 public health units to reduce smoking among workers in the industrial and service sectors and helping patients in hospitals and regional cancer centres quit smoking. These new initiatives build on the success of other supports we offer smokers in Ontario, including free nicotine replacement therapy at 128 family health teams across the province, and providing better access to smoking cessation medications, which can now be prescribed by pharmacists.

Another way we're safeguarding the health of our young people is by passing legislation that will prohibit the use of tanning beds by youth under 18 years of age. We are thankful that this life-saving bill is now passed into law.

Finally, we've received the report from the Healthy Kids Panel that provides us with invaluable advice on how to address childhood obesity and make our kids healthier. We've started to implement the panel's recommendations, beginning with new supports to help every mom in Ontario who wants to breastfeed her baby. Early

next year, we'll offer 24/7 Telehealth support to breastfeeding moms. We're working with our hospitals and community health care providers to attain designation under the World Health Organization's baby-friendly initiative, so that they are able to teach moms and their babies how to breastfeed.

As I announced recently, our government intends to introduce legislation this winter that would require large-chain restaurants to include calories on menus and menu boards, and we're consulting on how to restrict the marketing of unhealthy foods to children.

Underlying our transformational work is a deep commitment to improve the transparency and accountability of the entire system. We want to ensure that every care provider, administrator and agency understands that they have been entrusted with hard-working Ontarians' tax dollars, and they need to be accountable, not just to government, but to the people we serve.

Individuals and families now have much better tools to help them understand how their health care system works and how to navigate its complexities. For example, the results of long-term-care-home inspections are now available online to help families make an informed decision about where to place their loved ones.

Accountability and transparency are a priority for me, because they drive change. I'm pleased to say that we've already made substantial progress in transforming the province's health care system. We want to keep that momentum going and seize opportunities for transformation to get better care for patients and better value for taxpayers. The health system we want to achieve through the action plan is sustainable, is patient-centred, evidence-based and promotes quality, all while providing the care people need today and tomorrow.

Thank you for your attention, and I invite your questions.

The Chair (Mr. Michael Prue): Thank you very much. Just for the record, you used about seven minutes additional, so we'll take that off the next time.

The floor now goes to the official opposition. You have 30 minutes.

Mr. Rob Leone: Thank you, Chair, and thank you, Minister, for your elaborate discussion this morning on the state of health care in the province of Ontario.

I want to move to page 18 of your remarks, in particular the hospital infrastructure projects that you've listed here and enumerated since 2005. You list about 23 projects that either have been constructed or are in the process of being constructed. Now, I note that recently in question period, you had listed a number of hospital expansion projects that actually aren't included in this list. I'm wondering why the discrepancy with what you said in question period recently with what you have on this page.

Hon. Deborah Matthews: These are new hospitals. There are, in addition, as I said, 100 major expansion projects, so that could account for the discrepancy. Was there one hospital in particular you wanted to—

Mr. Rob Leone: Well, obviously, I was going to talk about Cambridge—

Hon. Deborah Matthews: As you know, Cambridge—

Mr. Rob Leone: —and Joe Brant, another one that I know you listed recently in the Legislature. But 18 through 23 here—“the following projects are under construction,” and you list St. Joseph’s Health Care in London, St. Joseph’s Healthcare in Hamilton, Cornwall Community Hospital, Halton Healthcare Services, Humber River Regional Hospital and Women’s College Hospital, and then you stop at that. I know that obviously Cambridge has been long seeking a hospital infrastructure project and that’s not listed in here. I’m wondering why.

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Hon. Deborah Matthews: Because it’s an expansion; it’s not a brand new hospital. If you would like, I could read into the record the hundred expansion projects.

Mr. Rob Leone: You stated here at the top of your list, “We have built the following new or expanded hospitals.”

Hon. Deborah Matthews: These are significant—

Mr. Rob Leone: I’m questioning where the list is derived from. I just don’t understand that.

Mr. Joe Dickson: I’d like the minister to read in the hundred.

Mr. Rob Leone: You can do that in your time.

Hon. Deborah Matthews: As I say, Cambridge, as you know, is going ahead. Cambridge is a major expansion. It is not a brand new hospital. I would be more than happy to read into the record the hundred expanded hospitals.

Mr. Rob Leone: I’m just wondering why it’s not on your list in your remarks. My question is that. Why isn’t it on this list? “And the following projects are under construction”—you’ve listed six hospitals, and Cambridge is not one of those, Joe Brant is not one of those.

Hon. Deborah Matthews: I will happily get you an answer as to where we draw the line between how big an expansion has to be before it makes it onto the list of 23, but you know that you’re getting a significant expansion in Cambridge. I think your constituents are very happy with that.

Mr. Rob Leone: In a follow-up to that—
Interjection.

Mr. Rob Leone: Thanks for speaking on my behalf, Mr. Dickson.

My second follow-up question to that: When will the money begin to flow for all these projects that you’ve—

Hon. Deborah Matthews: Well, many of these have already been built and opened. These are I think all AFP projects, I believe, alternative funding plan projects, so they have a 30—

Mr. Rob Leone: What does that mean?

Hon. Deborah Matthews: This is where they have a plan, design, construct and maintain—some of those components, or all of them. One consortium is selected to construct the project, and the maintenance of the building

is included in that price. The result is, the builders are very focused on building to the highest quality standards because they know, at the end of 30 years, they’re going to have to turn it over in excellent condition.

Mr. Rob Leone: So AFP is a nice, fancy word for public-private partnership?

Hon. Deborah Matthews: The distinction is that with an AFP model, at the end of the period, the hospital belongs to the people of the province. Under a P3 model, that’s not the case. It’s like paying a mortgage over time, but at the end of it, we own the asset.

Mr. Rob Leone: We had Finance Minister Sousa in estimates recently and I asked him the question I think a lot of Ontarians have, which is that there have been a lot of commitments made for infrastructure projects right across the province: health care, education, roads, infrastructure, public transit and the like. I asked the minister, where’s the money coming from? I’m going to ask you the same question: Where’s the money coming from?

Hon. Deborah Matthews: This is all included in our budget. We know that we will be paying for these projects over a number of years. I noted yesterday that you’re supporting the construction of a new hospital in Niagara Falls. I can only assume you would do it on an AFP model. I’m making that assumption. We’re getting these hospitals built now. People are benefitting from the efficiencies and the improvements in quality of care that can be provided in the new facilities. We will be paying for them over time and it’s all in our budget.

Mr. Rob Leone: In estimates, Finance Minister Sousa suggested—and I asked him repeatedly to clarify this question—that basically capital infrastructure projects are being added to the debt. There is no new money, per se, that’s being allocated to that. In addition to a \$10-billion deficit that this government is projecting—and we’ll get an update on November 7, I understand—another \$10 billion is being added to the debt, and that \$10 billion is simply as a result of infrastructure projects. Is that where the money to build hospital expansion projects is coming from?

Hon. Deborah Matthews: This is in our budget. The—

Mr. Rob Leone: So the answer is yes.

Hon. Deborah Matthews: These are government expenditures.

Mr. Rob Leone: So the answer is yes, it’s coming through debt.

Hon. Deborah Matthews: Well, I would quarrel with you on that. These are government expenditures. If you want to say that cancer care adds to our debt, yes, I guess you’re right. Providing care for people with cancer adds to our debt. That doesn’t mean we shouldn’t do it.

Mr. Rob Leone: Well, I’m not suggesting that. I just want a confirmation on capital infrastructure projects. The government really doesn’t have the money to pay for those upfront. You’re saying that by going through the AFP process, you’re extending this through the whole period of time.

Hon. Deborah Matthews: That’s absolutely right.

Mr. Rob Leone: Now, if we have an AFP for a hospital, where is the risk allocated? Is that on the government's books in terms of when they're paying, when they're enumerating their debt, or is that risk transferred to the private consortium that's building the project?

Hon. Deborah Matthews: I will ask the deputy—

Mr. Rob Leone: So is it included in the debt figure or is it not?

Hon. Deborah Matthews: I will have the deputy—

Mr. Saâd Rafi: I think I heard a couple of questions. One is, when does the payment start? The payment starts when the facility is deemed substantially complete, and since hospitals are consolidated onto the government's books, that consolidation begins at that time.

I'm sorry, I forgot the other part of your question.

Mr. Rob Leone: It was in response to the AFP model that you suggested. Is that on the consortium's books, or is that on the government's books when—

Mr. Saâd Rafi: Oh, risk transfer—I'm sorry, yes. So the transfer of risk is in the AFP model, and that risk transfer is, for example, an on-time, on-budget completion of the project. The payment for the project doesn't start until the project is deemed substantially completed. So if construction takes three years and the consortium is longer in completing that project, they don't start getting paid until the project is deemed—the term is “substantially complete”; in other words, complete and ready to move into.

Mr. Rob Leone: So if it's a \$300-million project, the \$300 million isn't going to appear as debt to the government. What the government is basically paying out is the instalment fee that they're going to pay to the consortium over a 30-year period?

Mr. Saâd Rafi: Yes, like a mortgage.

Mr. Rob Leone: Okay. Mr. Clark.

Mr. Steve Clark: I have two questions, Minister. I'm reading page 31 of your estimates, end-of-life and palliative—

Hon. Deborah Matthews: I apologize. I have a larger font on mine.

Mr. Steve Clark: End-of-life and palliative care.

Hon. Deborah Matthews: Yes.

Mr. Steve Clark: The second paragraph says, “As part of the ministry's 2005 end-of-life-care strategy, 34 residential hospices or communities were identified and CCACs were given funding to use on palliative and end-of-life care”—

Hon. Deborah Matthews: I'm sorry. What are you reading from?

Mr. Steve Clark: I'm reading from this document right here.

Hon. Deborah Matthews: Oh, I'm sorry. Okay.

Mr. Steve Clark: So I guess my question—I have a community in my riding, North Grenville, who have worked with the LHIN for the last many years actually, and I'm asking a question to be answered at a later time by the ministry. I'd like to get a sense of how that project works into your strategy and how this year's estimates

will deal with funding residential hospices in local communities.

I think our community has worked well with the LHIN. They're ready to go. I want them to move forward, and I'm just trying to figure out, based on what I'm reading, how our community works into that strategy. That's a bit of a fact-finding mission, because I think we're ready to move forward. I'd just like to put that on the record and ask that you address that.

Hon. Deborah Matthews: Thank you. I will happily do that. I will obviously look into that particular request, but there is no question in my mind that the hospices that are being built across this province are providing excellent care to people at the very end of their lives. And as we talk about how we are going to care for people at the end of their lives, many people will choose to die at home, with the right supports, others will die in hospital, but I think building that continuum of care so that people do have access to hospice care, if possible, and if there is community support, because we do rely heavily on communities to contribute to the cost both of building and of supporting that—

Mr. Steve Clark: Yes, and this particular hospice is very entrenched in the community. It's always provided volunteer residential hospice and now wants to move to the next level of providing that 10-bed model, and they've worked quite closely with Champlain.

Hon. Deborah Matthews: Perfect, okay.

Mr. Steve Clark: So, again, I think we're ready.

Hon. Deborah Matthews: Excellent.

Mr. Steve Clark: I just want to make sure that the minister and the ministry are ready.

Hon. Deborah Matthews: I will look into the status of that.

Mr. Steve Clark: Okay. The second issue, Chair, if I might, through you to the minister: I'm reading, again, page 27, “Community Mental Health and Addictions,” which is something that I'm extremely interested in. I read very carefully the words “The right care at the right time at the right place is critical in the area of mental health and addictions services.” I'm quoting page 27 of that same document.

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I'm trying to understand the relationship in my community to the Ministry of Health and the ministry of corrections. The example that I'll use is a male secure treatment unit that operates in our community, that works with both ministries. I know, with things like the Ashley Smith inquest that's taking place and some other announcements that are taking place—I just want to know who drives that in a correctional setting.

I agree that the right care at the right time at the right place is very critical. I'm just hoping that the Ministry of Health has some issue and some priority to making sure that happens, as opposed to corrections putting that treatment model in wherever you seem to have an opening. I'd love to hear your comments on that.

Hon. Deborah Matthews: We launched our Mental Health and Addictions Strategy, a 10-year strategy, about

three years ago. As you know, the three-party committee that looked at mental health and addictions did an outstanding job and issued a report back to us.

Years 1 through 3 of the strategy are focused on children and youth, because we know that 70% of mental illness actually starts in childhood and adolescence, so we're really focusing on expanding services there. But we are working to develop years 4 through 10, which will have a stronger focus on adults. That work is well under way now—

Mr. Steve Clark: Sure, but conceptually, if we agree that the right care at the right time at the right place is what we should focus on for children and adolescents, should we not also have that same strategy when your ministry works with corrections—

Hon. Deborah Matthews: Absolutely, yes

Mr. Steve Clark: —on trying to provide that in the setting?

Hon. Deborah Matthews: Absolutely.

Mr. Steve Clark: I'm worried, Minister, that corrections will be driving how treatment takes place. I personally think that we need to move people out of the corrections system and move them into a model like I have in my riding, in Brockville.

I'm worried that we're not putting enough emphasis on treatment of women in the correctional system. We have had some success with the male treatment unit. We've had people, some women, from some of our correctional facilities treated successfully through that model. But again, I happen to think that if we're going to have the right care at the right time at the right place, you have to have some authority over how treatment is given and how your relationship with corrections lays out where treatment ultimately rests.

Again, is that something that you believe you should have a priority over?

Hon. Deborah Matthews: You know what I'd like to do? I'd like to do a little homework to get exactly some clarity around who is responsible for providing care.

Obviously, if a psychiatrist is in a forensic mental health building, they are providing care and governed by the standards of the profession.

I'd like to know more about what actually it is you're asking. You're asking, does the Ministry of Health run those facilities? I'd like some clarity about what your question is. If you're saying we need to focus on that—

Mr. Steve Clark: Yes, I guess we have to treat people, right?

Hon. Deborah Matthews: Absolutely.

Mr. Steve Clark: And if we can treat people rather than having them in a correctional setting, I think that's a good thing. I think we've got cases and examples in the province of Ontario—we have some success stories. I know that in my own community, I look at some of the recidivism rates of people being treated. Certainly, the model that we have for males in Brockville at the secure treatment unit is very successful. I'm just worried that when it comes to issues around, for example, the Ashley Smith inquest and some of the ultimate recommenda-

tions, we're going to try to provide a model in whatever correctional facility is available.

I think, again, to use your words, the right care, the right time, the right place—I think that from a health care perspective, as the minister, you want to make sure that happens, and you should be able to step up and help guide, ultimately, where that treatment takes place. So I would—

Hon. Deborah Matthews: I'm very happy to know you have an interest in this—

Mr. Steve Clark: I'm glad you're happy.

Hon. Deborah Matthews: —so we can work together.

Mr. Steve Clark: I'm happy you're happy.

Hon. Deborah Matthews: Excellent.

Mr. Steve Clark: Okay. I think I'm okay with my questions.

Mrs. Christine Elliott: Good morning, Minister and Deputy Minister. I do have a number of questions, but I'd like to start with a few arising out of your remarks from this morning.

If I could turn to page 5, at the bottom of the page where you're speaking about pharmacists and expanding scopes of practice, I recall that when the changes were made to the generic drug pricing several years ago, there were commitments that were made by you that there would be a compensation to pharmacists by increasing the scope of practice. Right now, they're able to deliver flu shots, but I think that they were expecting far more than that. Can you tell me what you plan to substitute, or to allow them to do, to expand their scope of practice to compensate for that loss?

Hon. Deborah Matthews: We've been working very closely with the pharmacists to really transform that sector of the health care system from what they used to be able to do, which was simply dispense drugs, to providing much more care. We are compensating them for that; so we compensate for the flu shot.

I think, for me, the single most important expansion of their responsibilities is around MedsCheck. When people are discharged from hospital, people on multiple medications, pharmacists can review all of their medications. As you heard me say, for these complex patients with six or more physicians, each of them with the ability to prescribe and not necessarily coordinating that, a pharmacist can go in and review all of the medications and make sure the patient knows what they should be taking and when. We're even funding MedsCheck at home now, where pharmacists can go to someone's house and go through all of their medication, both prescription and over the counter, and make sure they're getting the right medications. So we're expanding that.

I talked about their doing smoking cessation programs. Pharmacies across the province now have built rooms where they can work with patients, whether it's on smoking cessation—they can prescribe smoking cessation products now—the flu shot, MedsCheck, a range of services they can provide.

We also, of course, increased the dispensing fees and we have a special bonus on dispensing fees in small communities, because we wanted those drugstores to be able to stay open, because they provide an important service for people.

So we're continuing to work with the pharmacists on what further expansion they're looking for. I know they're looking for the ability to treat common illnesses, and so—

Mrs. Christine Elliott: They're also looking for the ability to renew common prescriptions as well as doing other types of vaccinations and that sort of thing. Is that part of your immediate plan, to allow them to do that?

Hon. Deborah Matthews: We are definitely committed to continue to expand the scope of practice, not just for pharmacists but for others, but I think this provides real value for the people of the province. We're continuing to look at expanded scope for a range of providers.

Mrs. Christine Elliott: All right. Thank you.

My next question arises out of your comments on page 11, where you talk about: "The target is to provide services to ... individuals"—home care—"within five days of a CCAC assessment." Can you tell us what the progress is in that respect and where you are with that?

Hon. Deborah Matthews: Why don't I just share with you where we are on that?

Do you have that handy?

Mr. Saâd Rafi: I think so. On nursing days—these are all from first assessment of the individual—for nursing days it's all clients or all patients. The average wait time in the 90th percentile is four days currently, and the target was five.

On PSW, time waited for complex patients from first assessment, there is more work for us to do there. It varies, but the average 90th percentile wait time is 20 days, and the goal, which was announced in the 2013 budget, is to get to five days there as well. Clearly, that's going to take more time and there's an inordinate amount of funds assigned for PSW wait time than nursing wait time, as a result of the current wait.

Mrs. Christine Elliott: Okay, so can you tell us what the plan is, then, to deal with that, because that is a considerable wait time, 20 days for a—

Mr. Saâd Rafi: The LHINs have been allocated \$60 million for that specific wait time, plus there was an additional \$15 million allocated for nursing wait time; in addition to that, \$115 million for just a growth in home care. So each LHIN will have to look at their current wait times; some in PSWs are as low as seven, so they would have differential strategies to get from first assessment to first visit. That's in development right now. This was just announced at the end of April in the budget. We're working with them over the course of this fiscal year, and we'll also try to develop a reporting method with CCACs so that it's transparent to all Ontarians.

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Mrs. Christine Elliott: Is there a goal in terms of time to achieve that reduction from 20 to five days?

Hon. Deborah Matthews: I believe we think we can do it over the next two years.

Mrs. Christine Elliott: Two years.

Hon. Deborah Matthews: I'll correct this if I'm wrong.

Mrs. Christine Elliott: It's still a considerable amount of time, but—

Hon. Deborah Matthews: Yes, but we're really making progress. It's pretty fantastic when you look at how many more people are getting home care, and now we can focus on wait times. I think we've doubled spending almost on that home care sector because we believe that's where the need is, and that's where people want the care.

Mrs. Christine Elliott: We continue to hear about people being readmitted to hospital before they even get connected with home care, so that's certainly something that needs to be worked on.

Hon. Deborah Matthews: If I thought the problem was fixed, I would tell you that. I'm not telling you it's fixed. I'm saying we're absolutely focused on doing a lot better.

Mrs. Christine Elliott: Another question, again, on the bottom of page 11, top of page 12, talking about the long-term-care homes and wait-lists: You indicated that you've helped 1,500 more seniors get out of the hospital as soon as they could move back home. Can you tell us what the wait-list is now, the number of people waiting for long-term care?

Hon. Deborah Matthews: So the—

Mrs. Christine Elliott: And the wait time, as well.

Hon. Deborah Matthews: The wait time—let me see if I can pull that number up. I had it recently.

We are definitely seeing a decrease in the wait time as more people are getting care at home, which is terrific.

Mr. Saâd Rafi: On average, it's 50 days out of hospital and 90 days from admitting from community.

Mrs. Christine Elliott: And how—

Mr. Saâd Rafi: For first choice.

Mrs. Christine Elliott: Okay, and how many are on the list now?

Hon. Deborah Matthews: I'm not sure we actually have that number.

Mr. Saâd Rafi: The exact number, I don't have.

Hon. Deborah Matthews: But 50 days and 90 days, when people are actually making that move into long-term care, they need some time to make that move both psychologically and physically. So we're happy to see the wait time coming down.

Mrs. Christine Elliott: Could you undertake to provide me with the number of people who are still on the list?

Hon. Deborah Matthews: We will do our best.

Mr. Saâd Rafi: Yes.

Mrs. Christine Elliott: And what the numbers have been over the last 10 years, if we could get that, from 2003 to the present.

You also talk about the role of the Ontario Telemedicine Network, making it easier for seniors with

complex conditions to manage their care at home. Can you tell me what it is that they actually do and how much that costs?

Hon. Deborah Matthews: I'll preface this by saying the Ontario Telemedicine Network is a global leader in telemedicine. Ontario is leading the world when it comes to providing care for people using that technology.

Telehome care is another way we can employ technology to improve quality. I think there are a variety of applications of telehome care, including people having a device in their home where they can check in with the providers, tell them they're okay in the morning, let them know if they've taken their medication. I don't know if you have details there on what that technology actually looks like, but there are a range of models, I believe.

Mr. Saïd Rafi: That's right. We piloted this, in the first phase, in three LHINs where we're working with approximately 800 patients to assist with everything from reducing their readmissions to hospital—we experienced a 72% reduction in emergency department visits, a decrease in the number of primary care visits that they've undertaken and a dramatic reduction, about 95% to 97%, in their use of walk-in clinics. This is the first wave of a project that we hope to roll out across other LHINs.

On telemedicine, there are 1,600 video link sites across the province where one can go and have a consult with a physician, many times a specialist; 236,000 consultations were done through telemedicine. That's 114,000 unique patients, so some people had presented twice, obviously.

I can tell you what the avoidance cost is, at this point, anyhow, which was an estimated cost avoidance of \$44 million annually in just northern travel, which is where the concentration of these telemedicine sites is—in northern Ontario, of course.

Mrs. Christine Elliott: Thank you.

Hon. Deborah Matthews: And if I could just add, one of the investments that was made through the \$20 million allocated for rural health transformation—I actually visited the hospital in Perth county, and they are doing addictions and mental health through telemedicine. So they actually set up a unit in the person's home, and they check in via telemedicine with their counsellors, saving them a very long trip into the clinic. So there are many, many applications for this. We're just starting to see how remarkable the opportunity is.

Mrs. Christine Elliott: But this project for seniors is a new one that's just being piloted in three LHINs. Am I correct?

Mr. Saïd Rafi: It's for all manner of patients, not just seniors, and it's being piloted in three LHINs—the first wave of it, yes.

Mrs. Christine Elliott: Okay. Can you tell me the cost of the pilot project and then the anticipated cost if the pilot is successful, what that would be?

Mr. Saïd Rafi: I will get that for you. I don't have it at my fingertips. Sorry.

Mrs. Christine Elliott: All right. Thank you.

Hon. Deborah Matthews: But I think it's very clear that the cost avoidance will far outweigh any costs. It will reduce walk-in visits by 97%, ER admissions—stunning results.

Mrs. Christine Elliott: We'll look forward to seeing that as that rolls out.

The next question arises out of page 14, speaking about physiotherapy. Certainly what we've heard from a number of both individuals and long-term-care homes is that they're very concerned about the cuts to physiotherapy that they have seen, that they are not seeing expanded access; they are actually seeing cuts.

I was just speaking with people at the function last night, the Ontario Long Term Care Association, that there are a number of individuals who are concerned about their parents' health, that they're saying their health declined, that they're not getting as much access to physiotherapy as they did several months ago.

Similarly, some of the long-term-care facilities have expressed concern about the additional costs that they will be incurring as seniors become less mobile and the number of additional staff that they're going to be requiring to help more people in walkers, more people in wheelchairs.

I'm wondering, when you brought in this regime, did you consider the additional costs that would be incurred as a result of these changes?

Hon. Deborah Matthews: We're working very closely with long-term care and community on the implementation of these physiotherapy changes. There is no question that the old model was a very, very broken model and not resulting in best value for the people who are accessing those services. As I said in my remarks, it was by far the most rapidly growing line in our health care budget. We had to take action. The old model was being abused. That's not a word I would like to use, but it is a word that I do use.

As we implement the new model, we will be watching very carefully. But, as you know, every long-term-care home now gets money for the residents to do physiotherapy for those residents. When you look at other jurisdictions, it is a generous amount of money. But we'll be watching outcomes, because we have the very same goals: We want people to be as healthy as they possibly can be.

When it comes to retirement homes, as I say, we, in our audits, discovered that we were being billed for physiotherapy when a group exercise class was being delivered. That is unacceptable, and we had to change the model. Now everyone's been assessed in long-term-care homes and retirement homes, and they are getting the appropriate level of care and we're paying for physiotherapy as physiotherapy.

I got a note from someone who said, "I've got my new physiotherapist. I had no idea that's what physiotherapy could be." She's doing so much better now because she's getting appropriate physiotherapy and not participation in a group class.

So, as I say—

The Chair (Mr. Michael Prue): I'm going to have to stop you there. Hold your thought, and we'll get back to you soon.

The next half hour goes to the NDP: Ms. Gélinas. You have approximately 15 minutes till the bell rings, so your second 15 minutes will be this afternoon.

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M^{me} France Gélinas: Okay.

The Chair (Mr. Michael Prue): The floor is yours.

M^{me} France Gélinas: I have a list of questions, but I also want to go through some questions that arise from the document you presented. I will start where she left off.

We're talking about a system that grew, in physiotherapy—you quoted: "Billings for physiotherapy increased by 18% to 20% annually." You go on to describe it as abuse and inappropriate OHIP billing. What is being done to recoup this money?

Hon. Deborah Matthews: We have asked for the money back that was—through the audit, when we discovered abuse, we've asked for that to be repaid. Have you got anything to add to that?

Mr. Saâd Rafi: There are some that are being investigated. They would be under current investigation, where it's quite a dramatic or severe, clear breaking of OHIP requirements.

Hon. Deborah Matthews: The thing with OHIP is that there's no cap on the billing. It's not a program. If you bill it, we pay it. There's no cap, unlike other programs. Unfortunately, a small number—and I don't want to tar all of the physiotherapy clinics with the same brush, because it wasn't all of them, but some of them were taking advantage of that ability to bill, unrestricted. That's why we saw that kind of growth.

M^{me} France Gélinas: I'm interested in—you say a small number. Are we talking one or two providers that are going to be basically followed up on so that they pay the money back?

Mr. Saâd Rafi: I'd have to check on the current status. I don't know where we are against how many providers, but there are 96 designated physiotherapy clinics and, as the minister said, the challenges were in the hands of a few only. In some cases, as you know, it's very difficult to collect because it's very difficult to prove that it was inappropriate when it was being billed against a program that didn't have a maximum.

M^{me} France Gélinas: That kind of sends a weird message out there to people who have to go without other health care services. They have the minister on record saying that here we had people abusing OHIP, people billing OHIP in ways that were inappropriate. Well, this is money that is not available for other types of services that they want and it doesn't seem to be triggering very much time, effort and energy from your ministry to go after that money. This is our money that was sent inappropriately. If anybody else takes money that is not theirs, we investigate and we send them to get the right punishment. How come so little is being done with that?

Hon. Deborah Matthews: I just want to say that I think those designated physiotherapy clinics would challenge your assertion that we haven't done much on this, when we have completely changed the model to prevent that kind of abuse and we are going back, where our audit showed there was abuse, to collect that money. That work is underway. I couldn't agree with you more: That money—we need to get the best possible value for every dollar we spend, and when people are taking advantage of their ability to bill, we have to take steps. I don't know what protest you saw, but I certainly saw protest. In fact, I was very disappointed that too many members of the Legislature, in my opinion, did not take the time to understand the issue before they supported the old model.

M^{me} France Gélinas: Okay. We're in estimates; if I want to follow the money as to how will I know that you have collected back from inappropriate billing, where will that show up?

Mr. Saâd Rafi: I'm not sure—probably public accounts with funds collected. I hesitate because I don't think it's that discrete that it would show X dollars collected from X provider of service. We do recoveries on an annual basis. Some of those recoveries are just an inaccurate original allocation. Some of them are recoveries due to audit, as the minister has mentioned. So I have to go back and polish my understanding of what's captured in public accounts and how discretely. It's a pretty voluminous tome, as you know.

M^{me} France Gélinas: Okay. I'm going to go through your documents where I had made little question marks here. The first one is on page 6. You supported access to pharmacy services in rural communities and underserved areas with new dedicated funding, which I understand to be the higher dispensing fees for rural pharmacies versus the others.

Hon. Deborah Matthews: That's right.

M^{me} France Gélinas: Are there other funds that I'm not aware of?

Hon. Deborah Matthews: I believe that is the only additional fee for those in isolated communities. If I'm wrong, we'll let you know.

M^{me} France Gélinas: Okay. Do you know how many pharmacies there are in Ontario right now?

Hon. Deborah Matthews: I know there are more than when we brought in these changes and were told that they'd all be closing.

Interjection.

Hon. Deborah Matthews: My deputy says that we have more pharmacies than we have Tim Hortons. So there are a lot of pharmacies.

M^{me} France Gélinas: There are lots. Where I was going after is that it still happened. I'm sure Nickel Belt is not the only place where I saw two locally owned, small pharmacies—one in Capreol and one in Chelmsford—that disappeared. At the same time, I saw a mega Shoppers Drug Mart open up in Hanmer, which is a community close to Val Caron, and I saw a mega Shoppers Drug Mart opening up in Chelmsford. But when we talk about the small, rural pharmacies that were going to be

affected—I can count the ones in my riding because I know them—did you take time to look at who were the independents that lived in the community and that had been serving their communities for a long time, that supported their baseball team and hockey team and that are no longer there? If you don't know how many we are—and I don't care how many Tim Hortons we have. If we don't know how many we are and where they are—

Hon. Deborah Matthews: We can find out.

M^{me} France Gélinas:—then we don't really know if this was effective.

Hon. Deborah Matthews: We'll get you the numbers, but I can tell you that there are more pharmacies—we have approximately 3,500 pharmacies in the province. I like to divide a number like that by 100 to see how many on average there are per riding—so about 35 pharmacies per riding would be the average.

M^{me} France Gélinas: Okay, but it still doesn't answer my question, that the changes that were made were going to affect the small independents. Did it affect Shoppers and Rexall and all of the big ones? I don't have anything against the big ones, but no, absolutely not; they continue to thrive and open throughout Ontario. The effects were going to be felt by the small guy who works in northern and rural and who serves the people that I represent. The effect has been there in my riding. Why would it have been any different? How come it didn't get monitored?

Hon. Deborah Matthews: These are companies, right? Whether it's a small company, a small pharmacy or a large pharmacy, business people make business decisions. What I can tell you is that we were very careful about how we developed the formula to determine what those dispensing fees would be for those small and rural pharmacies.

We also made it very clear to people—you know, I meet with the Ontario Pharmacists' Association a lot. They have a chance to embrace a new model of care, so they can deliver flu shots, they can do more MedsCheck, they can do more smoking cessation. They can take advantage of the new models; it's up to them. We are offering that to them. It's up to them to determine whether or not they want to participate in a new model of pharmacy care.

I can tell you, I've had pharmacists tell me that they were thinking about getting out of the business because they just didn't feel they were putting their skills to work, and now they're feeling really excited and enthusiastic about the opportunities to work directly with patients.

We'll see if we have any numbers for you on the number of rural pharmacies, and we'll see what information we have.

M^{me} France Gélinas: Okay. I agree that they are individual businesses, but when the government makes a significant change and those people come to you and say, "It's going to disproportionately affect people in northern and rural," then I want the government to put a northern and rural lens on their decisions, because it did not affect the big players, it did not affect the urban players, but it did affect the northern and rural players.

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Hon. Deborah Matthews: So just to be clear, we very much put a rurality focus on our dispensing fees. It's through the rurality index where, if my memory serves me right, the dispensing fee is about 60% higher in those smaller communities. Is it \$7.50 to \$11.50?

Mr. Saïd Rafi: I think that's right, yes.

Hon. Deborah Matthews: Yes. So we pay a lot more in dispensing fees in those rural communities because we want to support those communities.

M^{me} France Gélinas: Okay. My next question is also at the bottom of page 6. You've been working with Nova Scotia. "As of September 1 ... we have completed 18 agreements, and negotiations are under way on 15 more." Can I have the list of those 18 agreements?

Hon. Deborah Matthews: I don't know why not.

Mr. Saïd Rafi: I think so, yes.

Hon. Deborah Matthews: In addition, there are the brand names; right. So we're doing generics and brands with a pan-Canadian approach.

M^{me} France Gélinas: And this is actually giving results?

Hon. Deborah Matthews: Oh, it's absolutely getting results.

M^{me} France Gélinas: Okay. I would be curious to see what are the first 18 and what are the next 15 that are being negotiated.

Hon. Deborah Matthews: We'll get you the information that's available on that front. I want to say that, yes, we're getting results. Because Ontario has been pretty aggressive in bringing down the price of drugs, we're benefitting less than some of the other provinces that were slow. But when we actually made those changes to pharmacy and we were able to reduce the price of generic drugs in half—not just for government but for people buying drugs as well—the other provinces kind of took notice and they have all followed. So we've come a long way in a relatively short period of time.

M^{me} France Gélinas: But to have pan-Canadian is rather new.

Hon. Deborah Matthews: Yes. That came out of the Council of the Federation. Premier McGuinty was a real leader in getting his other Premiers to talk about, for the first time ever, pan-Canadian pricing. We had some growing pains. It hasn't been easy to get 13 governments all agreeing, but we've made remarkable progress. I think it saves \$100 million this year—

Mr. Saïd Rafi: On the brand.

Hon. Deborah Matthews: On the brand side.

M^{me} France Gélinas: I don't fully understand this process, but at some point, I would like to—I don't know if you're the right person to show me the link between this and the Committee to Evaluate Drugs, if there are any.

Mr. Saïd Rafi: I'll just use the brand name side. First off, it's optional for a jurisdiction to participate on a particular drug. So you identify drug A and if a jurisdiction says, "Yes, we want to participate," we ask that they continue throughout the negotiation process.

Each jurisdiction has their own approval process. In Ontario, the executive officer would use the Committee to Evaluate Drugs' efficacious review—so economy, effectiveness and clinical value—to determine whether that drug would be something that may make it on to the formulary. Other jurisdictions may have other methods. They may not use a pure clinical assessment or an effectiveness assessment. They may use another assessment as to whether there's need in their community. So once the negotiated price is established, each jurisdiction goes back to make their own decisions and signs a—

Hon. Deborah Matthews: Product listing.

Mr. Saïd Rafi: Thank you—a product listing agreement. The Committee to Evaluate Drugs is—they may be called other things in other jurisdictions, but it's unique to Ontario. So we use that before the executive officer does, before—

M^{me} France Gélinas: You sign on to—

Mr. Saïd Rafi: —we sign on to a particular drug to be negotiated. And there's a futures list as well of drugs.

M^{me} France Gélinas: Okay. The next question has nothing to do with the speech, because I know that I'm going to be running out of time. I'm getting a lot of media questions as to how come you won't be there for the EllisDon vote this morning—that you're here now, but you won't be at question period and you won't be there for the vote?

The Chair (Mr. Michael Prue): It's not really part of estimates, and I don't know whether I can allow the question.

Hon. Deborah Matthews: I'll happily answer the question, but maybe afterwards.

The Chair (Mr. Michael Prue): Okay. It's up to you, but the question has nothing to do with estimates.

Hon. Deborah Matthews: No. I had a previously scheduled celebration of a \$50-million donation to hospitals, and so I will be there celebrating an extraordinarily generous gift.

Interruption.

M^{me} France Gélinas: I guess this bell rings for us?

The Chair (Mr. Michael Prue): Okay. We're going to recess now till this afternoon. When we come back, the NDP has 15 minutes, and then the minister has 23 minutes for a reply.

I'll see everybody here at approximately 3:45. We are recessed.

The committee recessed from 1025 to 1550.

The Chair (Mr. Michael Prue): We will call the meeting back to order. When we recessed prior to question period this morning, Ms. Gélinas had the floor. You have an additional 15 minutes.

M^{me} France Gélinas: And a half.

The Chair (Mr. Michael Prue): The Clerk advises me it's 15.

M^{me} France Gélinas: Okay.

I'm still going through the document that you tabled this morning, and I'm on page 8. It goes, toward the middle of the page: "Going forward, the 2014 physician services agreement negotiations present an opportunity to

work with physicians on a joint vision for the future and the right incentives for the best care." I'm just curious. Does that mean that we can expect to continue to see incentive pay for physicians to do things they should be doing because it's the right thing to do for good patient care?

Hon. Deborah Matthews: We, of course, only had a two-year agreement with the OMA last time, so we are looking to begin those negotiations. There are things where we think it is the right thing to do to put in place the right incentives. House calls are a really good example of where we're actually prepared to pay a little bit more to a physician who is going to do house calls—over a certain threshold—because it's better for patients and it's significantly more time-consuming for those physicians. Getting those incentives aligned is very much what we want to be doing.

In the last agreement, we added an additional payment for people with more complex needs, because what we were finding was that physicians wouldn't take those patients with complex needs because it simply didn't make sense for them. Patients who require very frequent visits, we were finding, sometimes couldn't get a doctor. That's why we have an open mind to add incentives for the behaviours that are best for patients and give us the best value for money.

M^{me} France Gélinas: Does that mean that the negotiations won't include paying physicians on salary?

Hon. Deborah Matthews: No. We've actually done a really good job. I think we're leading the country in blended models, capitation and what we call—AFP? APP?

Mr. Saïd Rafi: Both.

Hon. Deborah Matthews: Both, so plans where we pay emergency room doctors, for example, not on a fee-for-service but for a shift. Sick Kids Hospital has all of their physicians on a fixed income, regardless of how many procedures they perform. We're moving more in that direction, and we're looking in the future to do more of that.

M^{me} France Gélinas: Okay. I'm now at the top of page 9, where you said: "Through quality-based procedures, where targeted health services are funded on a price x volume basis"—I get it. I'm not always sure as to how you set the bar. Why is it that sometimes procedures will be funded at 50%? Otherwise, it's funded at the 65% average for that procedure, or sometimes it's the 70% average. Sometimes it's the 50% average for that procedure. How are those decisions made?

Hon. Deborah Matthews: This has been the very difficult and challenging work of ministry officials. I think the whole sector agrees that this is the right way to go going forward, but getting those prices right is part of what I would say has been an excellent process of making determinations.

What we learned was that a lot of hospitals don't even know what their case costing is, so they didn't know what it was costing them to do cataracts; they didn't know what it was costing to do a hip replacement. So

we've had to work with our hospitals to get the right metrics and land on prices. We continue to negotiate with hospitals on getting that right.

M^{me} France Gélinas: How will you manage the fact that as more and more procedures will be done in the community, the community side can very well turn people away and send them to the hospital to have a procedure done? The hospital, of course, won't turn people away; they will take them all. So you end up with all of the heaviest patients—the one who is blind, who doesn't speak the language, who is hard to care for, who has comorbidity; they all end up in our hospitals, and the cases that make money all end up in the community-based, physician-owned practice. But yet the hospital and the physician-owned practice get paid the same price times volumes.

Hon. Deborah Matthews: There is a complexity modifier in the QBP's so they do get a higher fee for a more complex case. So a knee replacement, for example, if it's a second knee replacement, they actually will get more than if it's the first time, because it's a more complex procedure. These are all issues that we're working out as we implement QBP's.

Maybe the deputy can add—

Mr. Saâd Rafi: If I could just add, we actually want that scenario, in a manner of speaking, because the ambulatory patient would be easier to care for outside of a hospital environment and she would not be exposed to all manner of other challenges in a hospital environment. So we're trying to set differential prices for 30-plus—I think up to 34—different procedures.

Then we also need to track where those volumes are taking place across the province, because in various nodes in the province, we may want to coalesce those volumes in a hospital—or if it's cataracts, in a clinic—but we will pay based on the price and the volumes allotted to that clinic. So for a straightforward cataract operation without complications, as the minister said, we'll pay X dollars—I'll make up a number; \$500 times these volumes—and so you can't go above those volumes. Through experts in the field on vision care, for example, we know where all cataract volumes took place in Ontario, so now it's a matter of saying, "Should we coalesce those volumes at a particular locale?" The reason for that would be that higher volumes of procedures means better quality. Think of basically moving around these services, within a pretty tight catchment area, because we also have to be cognizant of how far patients are prepared to go—and physicians.

It is a complex landscape, but it's not a bunch of bureaucrats making those decisions. It's being entirely advised by experts in the field of cataract, of unilateral knee, hip, COPD etc.

M^{me} France Gélinas: Okay, because if you look—I know I'll be coming to questions about small and rural, but if you look at small and rural hospitals, and I'll speak mainly for northern Ontario, where they used to do hip and knees, they certainly did not do the volume that anybody down south would do, but they were providing a

quality service to the people of, in this particular case, northwestern Ontario. There is no way they can do it at a price that UHN could do because they do very few. Now those people have to travel 600 kilometres to go to Thunder Bay to have those surgeries done.

Mr. Saâd Rafi: That's not the idea. We are exempting certain-size hospitals for that very reason. It's more of a true community-based hospital, where they must take all and sundry requirements. When they get very complicated, of course, you'll want to take advantage of higher specialties with better equipment etc.

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We're not trying to suggest that, again, my fictitious number of \$500 for a cataract will take place everywhere in the province. We have to recognize, just as we're not applying the health system funding reform to all 152 hospital sites—they're for about 89, and that's for different reasons. Mental health is not yet sorted out. We're working with the mental health facilities. We're working with the pediatric facilities, and the small rural are exempt because of the points you've made.

M^{me} France Gélinas: When you use the term "through community-based hospital," what were—

Mr. Saâd Rafi: True; I meant a true community-based hospital.

M^{me} France Gélinas: That's my accent coming through here.

Mr. Saâd Rafi: I'm sorry.

M^{me} France Gélinas: I meant the same word you said.

Mr. Saâd Rafi: My apologies.

M^{me} France Gélinas: What do you mean? What is it?

Mr. Saâd Rafi: What I mean by that is we don't want to arbitrarily say, "Well, look, we've decided that everything south of the French River has to be done in an ambulatory setting for cataracts," when there are people in other communities who would need those services. We have exempted certain hospitals because they are providing a service for all the members in their community, so that's what I mean by a true community hospital. It provides everything for that community. To just simply make it into a, I don't know—to pick two or three very complex services would be the wrong thing to do.

I didn't mean to suggest—and I probably misspoke when I said cataracts was an example—that we would map the entire province and move those volumes around. In some places, it's just not going to be possible because the distance that that physician will have to go and the distance that patient will have to go is unreasonable.

Hon. Deborah Matthews: The other point I wanted to make is that we are really working with the sector. We're not imposing; we are working with the sector. Some hospitals have decided that they don't want to do certain procedures anymore, that their patients can be served in another place, that they can get high-quality care at another place in the same community, and we're talking—a lot of this is Toronto, right?—where there are a number of different hospitals. So the hospitals are

making decisions about actually shifting volumes out, to Kensington, for example.

M^{me} France Gélinas: Okay. I'm now on page 10, and we're talking about how "We also annualized our \$20 million transformation fund for small and rural hospitals to help them improve patient care."

The transformation fund is the same limits that were put on the original \$20 million as to what hospitals could apply and could do with that \$20 million. Are the same restrictions going to continue now that you have annualized it?

Mr. Saïd Rafi: Well, I would not like to use the word "restrictions." I would say the same method of allocation will be applied, which is through the hospitals in conjunction with the LHINs. That was to identify, I think, 75 project-based initiatives. That came from the ground up, not from restrictions applied. Some of those initiatives may be time-limited; some may continue beyond a year and into a couple of years. We'll have to take a look at which are time-limited, which continue on and what else those facilities may want to undertake because this money was for them to dictate what works best in their community because we did recognize—

M^{me} France Gélinas: Except that some of them did not want a project base. Some of them just wanted to stabilize their funds, just wanted to stabilize what they already had. To do this, they needed extra funds, but none of that fund is available to small and rural hospitals to stabilize their base. The fund can only be applied to for a new project or an expansion of a project.

Hon. Deborah Matthews: All the small, rural hospitals got a 1% increase, unlike the other hospitals. They all got 1% to help them with that. This money is very much intended to support transformation.

We saw some fantastic projects that actually do help these small hospitals take advantage of technology. Some of the bigger hospitals have budgets where they can actually invest in projects that these small hospitals just can't. To put together a proposal, lots of them are using a collaboration with other health care providers, whether it's home care or primary care or whatever.

We want this money not to be base money; we want this money to be used to support transformation because we want to keep those small hospitals vibrant and fulfilling an important function in those communities. We don't want them to become less and less relevant, so they need to do things differently. This money, which was your brainchild and worked so well that we chose to do it not just one time but to annualize it, was to support transformation.

The Chair (Mr. Michael Prue): I'm going to have to stop you there because the time has expired. It's now back to the minister and the ministry for 23 minutes.

Hon. Deborah Matthews: We have a slide deck. Have you got the slide deck? I believe you do.

The Chair (Mr. Michael Prue): I think it arrived as you spoke.

Hon. Deborah Matthews: So I'll get started, because you can catch up, I think. We put together a presentation

to give you a bit of an overview of some of the things that are going on.

You've heard me talk a lot about transforming the way care is delivered in the province. We are undertaking an unprecedented scale of change. Our system is a \$49-billion system, and the change that is under way now is more than just tinkering around the edges. We are changing how we deliver care in the province. We're re-designing the health care system to put people, not the organizations, at the centre of the system.

I have to say that the collaboration in the health care community is nothing short of phenomenal. Many people are engaged around health system funding reform. The LHINs have really led this, as have other health sector leaders. What we have is a system that is ready for change. We have advances in technology that are improving patient care. And we've got a very robust body of evidence on better care for patients and we're applying that evidence.

I talked earlier about the challenges, and I think everybody recognizes that we do face challenges in our health care system. I think we all recognize we have a fiscal challenge. We've been growing the health care budget at 6% to 7% annually. Now we're down to 2%. As I said, as far as the eye can see, I don't see much more than 2% any time soon.

The demographic challenge is real. We're living longer. We're reaching the age, us baby boomers, where we'll need more from our health care system. We've got some complex problems where we have a relatively small number of people who have complex health problems and they're not getting coordinated care; they're not getting the best quality care collectively. And we're not as healthy as we could be and should be.

The next slide is about the fiscal challenge. You can see that the government is intending to hold annual growth in program spending to 1%. Health will be at 2% because we do have responsibilities to the people. We're 42 cents of every dollar that government spends, and if we don't change how we deliver care, health care spending will be at about 70% of our health care budget within 12 years, which means we simply could not spend on other things that matter to people. As I say, the good news is that we have been able to bend that cost curve down, and we're doing it at the same time as we're improving the quality of care for patients.

The demographic challenge: The next slide is, I think, a slide that gets the attention, because what it demonstrates is that if we did nothing differently and we only were providing care to people at the same rate we do now by age, the demographic change by 2033 would mean we'd have to increase our budget by 50%, not including inflation, not including any enhanced technology and the costs that go with that. So that gets our attention.

The next slide deals with the idea that there are relatively few people who are really costing the system a lot. They need the system a lot. So 1% of people consume one third of our health care dollars; 5% use two thirds of our health care dollars. We know that we can

provide better care for those folks at lower cost if we coordinate the care around them.

We're tackling our health care challenges by trying to provide more timely and effective care to people who need help the most. We need to better manage spending for populations with complex health problems, those with multiple chronic conditions, including mental health. We know that too many people are getting the care they need in a hospital when they could be cared for better in the community. Access to primary care is uneven—much, much better than it was, but still, many people are not getting the benefit of a coordinated care plan. Wait times for specialty services and for long-term-care homes are still too long. If we were to even save 10% on those complex patients by enhancing the quality of care, by providing more coordinated care, we could save close to \$2 billion.

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We're not as healthy as we should be. Twenty-five per cent of our costs are due to preventable illness. Nearly half of all cancer deaths are related to tobacco use, diet and physical activity, and the member from Nickel Belt has made that very clear this morning. We have to exercise more, quit smoking, eat better and maintain a healthy weight—and we reduce our risk of cancer, I think you said, by 80%. These are in our control; we need to help people. We've got a serious challenge with obesity, and that causes heart disease, type 2 diabetes and a range of other conditions.

We also have far more people going to emergency departments when they should be able to get that care at a lower cost outside the hospital, often from their primary care provider, if that provider would provide same-day or next-day appointments.

Our vision: Our goal is to make Ontario the healthiest place in North America to grow up and grow old. We're going to do that by providing better access and faster access to family care. We're going to have better quality, ensuring that care is patient-centred, driven by outcomes and based on evidence. I have to say, I was very surprised to learn how much of what we spend on health care is not evidence-based. And we need better value; we need to improve the value that Ontarians gain from our investments in health care.

We have a plan. We want Ontarians to have more support to be healthier, with faster access to care and the right care at the right time in the right place.

You can expect to see a relentless focus on the use of evidence to improve quality. I have to say, there will be resistance. There is resistance to this, but we simply don't have a choice. We must invest in those things that have demonstrated benefits to patients. We can't afford to spend on things that do not have demonstrated improvement outcomes for patients.

We will see a measurable shift in where and how services are provided, and we will manage our growth in our spending.

Our goal 1: keeping Ontarians healthy. That's helping people stay healthy. Twenty-five per cent of health costs,

as I say, are due to preventable illnesses. Nearly half of cancer deaths are related to tobacco use, diet and physical activity. Currently, about one third of eligible women still do not have a mammogram. Nearly one in four do not have a Pap test within the recommended time frame. So there's a lot to do on keeping people healthy. We also are focusing on reducing rates of smoking and keeping our kids healthier.

Goal 2: faster access to family care. We are speeding up access to family health care—a range of actions in this area. Health links; same-day and next-day access to family care; house calls; and quality improvement in the community are a few of the ways we're working with our partners in primary care to make the system work better for patients.

The right care at the right time in the right place is a big piece of transformation, and there are many moving pieces. When it comes to acute care, we're freeing up hospital resources to focus on acute care. As our ALC rate comes down, that means hospitals can care for more people who need to be in hospital. In the community, we really are strengthening the community sector's capacity to deliver a broad range of services. Long-term care: We're shifting some capacity towards short-stay, acute-level interventions to alleviate pressures elsewhere in the system, and we're seeing terrific success on that front.

When it comes to primary care, we want people to go to their primary care provider first. That should be where people go first, and they should go to a hospital only if that's necessary.

When it comes to drugs, we need to ensure that people have access to the drugs they need, but we also need to reduce the dangers of duplicate prescriptions and overmedication.

Mental health and addictions is huge. Building more collaboration across sectors means we can deliver timely access to mental health and treatment services.

And home care, of course, is probably our number one priority. We are expanding personal support workers through community agencies that now can deliver PSW care to low-needs patients.

Our action plan creates a system that improves quality care for patients and delivers more value for taxpayers. Guided by the action plan, there are four pillars of work to support transformation. These pillars do not operate in isolation; they build off each other. They work together to prevent serious health issues from happening in the first place, prevent or better manage chronic conditions and create a stronger, more integrated system that serves patients more effectively. The pillars are: wellness and prevention; health system funding reform; right care, right time, right place; and integration.

With a focus on wellness and prevention, we're empowering people to make healthier choices, and we're really focusing on children. We need to have healthier kids. So we're helping people stay healthy. We're supporting Ontarians with information and tools to make healthy choices. We're encouraging Ontarians to be more proactive in protecting their health, and we're focusing

on preventing and better managing chronic conditions that contribute to serious health issues for people of all ages.

The Healthy Kids Panel released a report on how to reduce childhood obesity, and our implementation plan is now under way. I was very interested to learn that the evidence says that supporting people in breastfeeding is one of the best things we can do to have healthier kids. Our goal is that every mom in the province who wants to breastfeed her child will have the supports to be successful in doing that. We've also announced that we are going to list calorie content on menus and menu boards, and we're enhancing supports for our Student Nutrition Program.

You all know we've passed legislation to reduce youth access to tanning facilities, and we want to strengthen efforts around tobacco controls for youth and expand cessation programs.

We're giving Ontarians the tools they need to take ownership of their health and manage illness. We're encouraging Ontarians to be more proactive, and we've got a number of things under way. One example is the social smoking campaign. This campaign has gone viral. The thinking behind it is a lot of people start out as what they call "social smokers," and they become full-time, full-on smokers.

We are, as we've talked about, funding reform. We are reforming how we fund health care services to drive quality, efficiency and effectiveness in our system. We're working to better design services around patients' needs.

My two favourite questions on any change that comes before me are, is it better care, and is it better value? So if a change means better care for patients and better value for those precious dollars, then we have to figure out a way to do it.

On the health system funding reform, we're moving from global funding. Any of you who have tried to unravel why a hospital gets a certain amount of money will know that it has been impossible to actually explain to someone why a specific hospital gets a specific budget. So we're shifting that. We're shifting from global spending to health system funding reform. It's more transparent. It's evidence-based. Funding is tied more directly to the quality of care that is needed and will be provided.

So why now for health system funding reform? There are a number of advantages. It improves the way that we meet the needs of communities. It will accelerate the move toward a fairer, more evidence-based approach to funding that better responds to emerging health care needs as built-in incentives to encourage the delivery of high-quality care. There will be a more transparent link between the funding and the delivery of care. Funding will shift from being historical to one where it's allocated based on the type and quality of services provided. Funding reform will link funding to service delivery and outcomes so there will be appropriate incentives to reduce length of stays, reduce wait times and improve care.

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Our expenditures have risen rapidly over the past decade. This will help to moderate health care spending and ensure our health care system is sustainable. We are learning from other jurisdictions who have done this. In fact, Ontario is by no means the first—closer to the last than the first—to implement this funding reform.

Two components to health system funding reform: HBAM, the health-based allocation model. It's a funding model that determines the optimal amount of funding based on patient demographics, age, gender, growth projections, socio-economic status and geography. It's based on clinical data, complexity and type of care, and financial data. The second part of health system funding reform is QBPs, because we love acronyms in health. These are specific groupings of health services. You can see on the list what—the first round of QBPs were chosen based on their potential to drive better-quality care at an evidence-based price. More QBPs will be added in coming years in hospital and community settings.

As we've talked about, institutions are funded on a price-times-volume basis. By April 2015, health system funding reform will account for approximately 70% of hospital funding. We are phasing it in over time because it is a big change for the sector and we don't want to be any more disruptive than we have to be. We're talking about hospitals, but we are also bringing in health system funding reform to include more of a community focus. Each year, global funding is reduced in proportion as HBAM and QBP increase, but global funding will not go away altogether; it will still be used to determine funding for activities that can't easily be modelled or that are otherwise unique—for example, small hospitals and forensic mental health.

When it comes to quality improvement, we actually are demonstrating that when we lead with quality outcomes and safety, we do see lower costs. Higher-quality care is lower-cost care. We can work together as a team to achieve the end goal: some cost reduction, and high quality and safety.

Here we have Rob Devitt, president and CEO of Toronto East General Hospital. I think our Chair knows him well—

The Chair (Mr. Michael Prue): Very well.

Hon. Deborah Matthews: "Very well." What he says is, "The beauty of health system funding reform is that it identifies, province-wide, the clear measurable outputs of an episode of care."

As I say, this is not easy for the hospital sector and for other health sectors, but they know it needs to be done. We are really focusing on getting the right care at the right time at the right place. We are shifting services to more appropriate and cost-effective settings and optimizing existing resources. We're improving quality for patients.

You will remember that we unanimously passed the Excellent Care for All Act, which really is driving quality improvement. We're shifting procedures. We're building

community capacity. We know that older Ontarians would rather age and receive care at home as long as possible. With the right supports, this can be done for many. We really are working to keep long-term-care homes as a place for people who really need that high level of care.

Our Seniors Strategy, of course—Dr. Samir Sinha had a number of recommendations. His report is called *Living Longer, Living Well*. One of the recommendations that we're implementing is to ensure that every senior who wants a primary care provider gets one. We are providing 200,000 more people with exercise, falls prevention and improved access to high-quality physiotherapy, and expanding house calls. And we are looking at the role of long-term care. We're looking at their role and the opportunities to use those homes, those existing resources, those existing trained people for people who need shorter stays. So we are adding 250 short-stay beds, in addition to those that were already there.

We are, as we've talked about, committed to shifting low-risk procedures from acute hospital settings to non-profit, specialized, community-based clinics. We have good evidence that these clinics that focus on a few select procedures can serve more patients more quickly, with excellent outcomes. We are building on the success of clinics like the Kensington Eye Institute. We've expanded services at Kensington. We have two midwife-led birth centres. It means people spend less time waiting for procedures. It's more convenient and easier access for patients. The ministry, LHINs and Cancer Care Ontario are working together to roll out specialty clinics, starting with routine cataracts. In future, other procedures that don't need overnight hospital stays, like colonoscopies, could also be done in specialty clinics. They will operate under existing legislation and quality assurance frameworks that ensure quality, oversight and accountability.

We're strengthening coordinated care to improve access to health care services. We're maximizing value and enhancing quality, with an emphasis on primary care and seniors.

The Chair (Mr. Michael Prue): You have one minute.

Hon. Deborah Matthews: Thank you.

LHINs: LHINs have done a terrific job improving the integration of the health care system at the local level. Care is more cohesive. Providers are working together more. This is the beginning of an evolution toward better integration and system accountability for improved patient outcomes. However, if we are to meet the needs of a growing population with multiple complex and chronic conditions, our health care system must be even better coordinated, with seamless levels of care. Partnerships that are needed go far beyond a relationship between the LHIN and a hospital, or a hospital and a CCAC; it needs to include the patient at the centre and all community providers.

Why don't I stop there.

The Chair (Mr. Michael Prue): With that, I thank you. And if you want to continue with this, perhaps the

government members can ask such a question. But for now, it's back to the Conservatives. You have 20 minutes.

Mrs. Christine Elliott: Thank you, Chair. Good afternoon, Minister. I'd like to go back, if I might, to your presentation from this morning. I do have a few more questions arising out of that. If I could turn again to page 15, which was dealing with the physiotherapy cuts, you've indicated in the second paragraph that, through audits, you were made aware of the depth of inappropriate OHIP billings. Would you be able to provide those audits to us?

Hon. Deborah Matthews: Let me see what I can do on that front.

Mrs. Christine Elliott: You indicated also that it was a small number of physiotherapy clinics that were billing inappropriately. Why did you feel the need to change the entire system? Why not just deal with those providers rather than deal with it the way you did?

Hon. Deborah Matthews: I want to say that the clinics provided service. We did not see the terrific growth in billings from those clinics. We offered all of the existing designated physiotherapy clinics an opportunity to participate in a new model, and I think all but a handful—maybe two or three—chose to continue to participate with us under the new model. So not only are we keeping the existing clinics that provide government-funded physiotherapy, but we're more than doubling the number of clinics to provide access right across the province.

So the clinics weren't the problem. The problem was when these companies were going into, particularly, retirement homes and billing us for physiotherapy. When we did that audit, we discovered—and I had whistleblowers who came forward and talked to me about what was happening. I had one email from a woman whose mom was in a retirement home. Her doctor recommended physiotherapy for the mom and was shocked to find that she had exhausted her physiotherapy. She had no idea that she was being billed for physiotherapy when she was participating in group exercise classes. I heard from a range of people.

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The fact that these changes were supported by the Ontario Physiotherapy Association tells you a lot—when that profession says you need to change the model. That had a pretty big impact on me.

Mrs. Christine Elliott: Well, again, I'm hearing from individuals about their concern about their parents being cut back on the actual amount of physiotherapy that they're receiving. The fact that some of these services are now going through the CCACs, which have a 30%-plus overhead rate—it concerns me that we're not getting as much direct service as we should be under the new model.

Hon. Deborah Matthews: Oh, that's simply not true, and I would urge you to talk to your CCAC about that.

Just to clarify, the CCAC overhead and administration is less than 10% of their budget. There is, I know, some debate about whether care coordination is front-line care.

I can tell you that without care coordinators, home care would not work. So the CCACs are providing in-home physiotherapy, which is what they've been doing for some time. They're assessing people and providing that care.

As I said earlier, 12 of the 14 LHINs have eliminated their wait-list for in-home physiotherapy because of the infusion of funding under this new model, and the other two are getting close. So that's great for patients.

Mrs. Christine Elliott: Well, I guess it does depend on how you define "care coordinators" and whether they fit into administrative staff or front-line staff, but I guess we might have to agree to disagree on that at this point.

I'd like to next take a look at page 17, if I might. You were speaking about "planning calls for proposals to establish non-profit specialty clinics...." I notice that it is specifically non-profit. Did you examine the idea of allowing for-profit clinics to provide the service, and why did you determine only non-profit?

Hon. Deborah Matthews: We did consider for-profits, but we have a publicly funded health care system, and I think it's important to keep as much in the non-profit as we can. There are ways that organizations can establish non-profit clinics. I would rather the money went into care than into profits.

And just to be clear, Kensington is a not-for-profit.

Mrs. Christine Elliott: Yes, I'm aware of that. Thank you.

On page 19, you were speaking about long-term-care homes and speaking about redeveloping 35,000 long-term-care beds. I understand that there has been a problem with uptake in the sense that many of the long-term-care operators are concerned that there isn't a business case to be made there for proceeding with the redevelopment. Are you taking a look at this now to encourage the further redevelopment of the B- and C-level homes, particularly in rural areas?

Hon. Deborah Matthews: Absolutely. We were not happy with the uptake of the first round, so we did go back and did a market sounding on what prevented people from putting forth proposals. Maybe the deputy could expand on that.

Mr. Saad Rafi: Yes. So we're doing a few other things as well from the market sounding. There were some irritating and regulatory issues that home providers identified, and so we're trying to deal with some of those.

One of them was to try to encourage CMHC to get back into the mortgage insurance part of their business for long-term-care homes. I believe they have left all provinces and they're not providing those suites of services, and some long-term-care home providers felt that that would help them in financing.

Another area was that we're examining the concession or the licence period. Perhaps if we gave a longer licence period, it might help for financing. As well, for the redevelopment, some B and C beds might have five to seven years left in their licence, and if a redevelopment cycle takes a couple or three years, that's a deterrent or a

lack of encouragement. So we were thinking of perhaps looking at renewing licences earlier.

We're working through the Ontario Long Term Care Association's recommendations as well on some things we can do—a development office that you may be familiar with in the past, as well as having to take a hard look at the accommodation component in the per diem.

Mrs. Christine Elliott: Can you tell us when you expect the new rules to come forward?

Mr. Saad Rafi: No, because I haven't had a chance to put together sort of a suite of responses and bring it forward to the minister and the government, but on some of the things, we've already started conversations with CMHC. They're having their challenges. They want certain conditions that we aren't at this point able to provide.

We're also trying to—we're mapping where our wait-lists are for B and C beds with existing properties government might own, and that's just started, as well, to see where there might be opportunities to encourage developers and also to encourage them for multi-use. That was part of the market sounding. For example, would they be willing to put in market-rent-type units along with long-term-care-home units, where we would provide a long-term concession which would help to finance the other units in a high-rise, for example?

Mrs. Christine Elliott: Okay.

Mr. Saad Rafi: So it will take several months for us to work through some of these ideas.

Mrs. Christine Elliott: Several months, then. That's somewhat encouraging, because there is a significant concern, as you know, in the sector, so as soon as possible would be great.

Hon. Deborah Matthews: And we are absolutely committed to that redevelopment. We just need to make it work.

Mrs. Christine Elliott: Great. All right, thank you.

I'd next like to ask a few questions about the mental health strategy, if I might. Just for starting off with, how much money has been invested in the strategy to date?

Mr. Saad Rafi: Could I get you a definitive number? I'm not confident with what I see in front of me.

Mrs. Christine Elliott: All right.

Mr. Saad Rafi: I've just been given the exact same page. I'm still not confident.

Mrs. Christine Elliott: Certainly, if you could let me know.

Mr. Saad Rafi: Sorry. I will.

Mrs. Christine Elliott: And you might have to check on my next question, as well. I'm just interested because it is, as I understand it, an integrated strategy, the first three years being spent primarily on children's initiatives. I'm wondering if you have a breakdown of how that money has been invested into each individual ministry so far—education, children and youth, health—just so we get an understanding of where we are with it.

There's also been an initiative that has been started through the Ministry of Training, Colleges and Universities with respect to students' mental health. I'm wonder-

ing if that is part of the overall strategy, or is that something that has been purely an initiative separately—where that fits into your overall strategy.

Hon. Deborah Matthews: You're talking about the 24/7 line that students can call?

Mrs. Christine Elliott: Yes.

Hon. Deborah Matthews: That is an initiative of TCU. It's complementary to our strategy, but it's not part of our strategy.

Mrs. Christine Elliott: All right. Thank you.

And can you tell me where most of the investments have been made so far in the area of children's mental health, which is the first priority, not necessarily in dollar amounts, but where all that money has been going?

Mr. Saâd Rafi: A large component would be in education, in school boards, in actual schools, for mental health services. Some of it would be with the Ministry of Children and Youth Services and in some First Nations communities as well, and also through the Ontario Mental Health Foundation. The Canadian mental health foundation has some elements of those funds as well.

When we give you the breakdown, we'll be able to show you by delivery agent.

Mrs. Christine Elliott: All right. Now, I understand that a lot of those funds are for identification so that nurses and mental health workers can identify needs of children in schools. What I continue to hear about is the lack of treatment facilities, and I'm wondering if you can tell me what the plan is for developing the facilities, either that we have or that you intend to invest in.

Mr. Saâd Rafi: I will have to get you that. I'm not sure how much money was put into facilities in the first instance. It was to identify not just cause or need but also to help with treatment modalities, and then that would lead you to where they would receive that treatment. But I'd have to also get back to you on that.

Mrs. Christine Elliott: Can you tell me the length of the wait-list now for residential placements for children?

Mr. Saâd Rafi: I don't know.

Mrs. Christine Elliott: Would you be able to provide me with that information?

Mr. Saâd Rafi: I'll try to get that to you, yes.

Mrs. Christine Elliott: Because anecdotally, we're certainly hearing that the wait-lists are extremely long and that parents are becoming very concerned about what will happen to their children. If you have a two-year wait-list with a suicidal teenager, it's simply not possible to continue to wait.

1640

Hon. Deborah Matthews: We will get you an update on the implementation of the first three years of the mental health and addictions strategy.

Mrs. Christine Elliott: Can you tell me what the plan is for the rollout of the next phase of the strategy?

Hon. Deborah Matthews: We are in deep consultations with a range of people who work in the adult mental health and addictions field about where they see that we need to go next, in the next 10 years. That work is very much under way. My parliamentary assistant has been

very engaged in this as well. We're doing that work right now and look forward to the release of the next years—what we call four through 10, four-plus.

Mrs. Christine Elliott: All right. Certainly that's important, but if I could go back to the children's mental health issue and residential treatment. Are you studying right now the idea of building capacity in existing facilities so that we don't need to continue to send children primarily to the US for treatment?

Hon. Deborah Matthews: We'll get you out-of-country data for mental health. I don't believe it's particularly common to do that. I believe the Minister of Children and Youth Services would be the one who could answer that.

Mrs. Christine Elliott: All right. But it is part of the overall strategy, for which you're ultimately responsible.

Hon. Deborah Matthews: Yes. It's a collective responsibility, but yes.

Mrs. Christine Elliott: I'm just concerned that we need to do something for those children, that either we build capacity in some of the existing facilities that we have that provide excellent service, or we need to consider new builds. The reality, as I'm sure you know, is that people who have a lot of money are sending their children to the US because they can't wait for treatment here. But then if you don't have the money, what do you do? I'm just very concerned. I hear from my constituents about that on a regular basis. I'd really like to know more about what the plan is for children's residential treatment facilities.

Hon. Deborah Matthews: You'd be interested to know that we're seeing, in SickKids hospital, for example, their length of stay on eating disorders has come down dramatically because they can provide care on an outpatient basis, freeing up those beds for more people. It's not just a matter of expanding capacity; it's getting the right length of stay and the right supports, most importantly outside the hospital.

Mrs. Christine Elliott: The other issue that I'm hearing more and more about in my community is the lack of facilities for people who are dually diagnosed, that it is a major concern that many conventional treatment facilities don't offer service to that population. Can you tell me what the plan is for that group as well, please?

Hon. Deborah Matthews: So I think you hear in your community what others hear in other communities. That is a focus of our strategy going forward.

Mrs. Christine Elliott: I look forward to hearing the details of that.

Next I have some questions regarding community care access centres. Obviously CCACs were set up to ensure value for money and to coordinate home care services by evaluating bids to get the best value for money. But recently CCACs have been doing direct hires of nursing and other service providers. Can you tell me why that decision was made?

Mr. Saâd Rafi: So the direct service—I'm not sure I'm familiar with that. I do know that they have had to

suspend the provision of services from some contract providers because of poor quality. That has been something that we have allowed them to do, where then they would go out and try to secure either a neighbouring supplier of home care services or look for an alternative provider to come into that space in that market. That has been sometimes due to poor quality and poor delivery. They have been monitoring that and trying to make those changes.

Mrs. Christine Elliott: I also understand, though, that there have been some deliberate decisions made to do direct hires, primarily of nurses. I'm wondering what the rationale is for that.

Mr. Saïd Rafi: I'll have to look into that. I'm not familiar with the direct hires as individuals, as opposed to a St. Joseph's or something like that.

Mrs. Christine Elliott: That's right. I understand that it is being done across all of the CCACs in the province, so I would appreciate some—

Hon. Deborah Matthews: I think there was some dedicated funding for a particular reason, so we'll get back to you on that detail.

Mrs. Christine Elliott: Okay. Would you agree that it would be a conflict of interest to have direct hires when the reason why the CCACs were set up in the first place was to ensure the best value for the money and to encourage that kind of competitive bidding?

Hon. Deborah Matthews: I would not see it as a conflict, depending on the function of those hires. Our CCACs overwhelmingly use third parties to provide service. We've changed the tendering process so that it's not disruptive, as it was before, so as long as certain quality standards are being met, those contracts can be rolled over.

Can you be more specific about those direct hires?

Mrs. Christine Elliott: I understand that there have been nursing services, primarily, that have been directly hired by the CCACs and not through the community service providers.

Hon. Deborah Matthews: I think it was a very specific program, very small numbers.

Mrs. Christine Elliott: Would you agree, though, that otherwise it would be a conflict of interest if you're doing direct hires?

Hon. Deborah Matthews: I don't see it as a conflict of interest, but I would respect your perspective on that, so I'd like to learn more about why you think it is.

Mrs. Christine Elliott: Certainly what I've heard from the community service providers is that they are losing staff to be directly hired through the CCACs, because they pay more and they have more benefits. I can't understand how there would be value for money if the CCACs are paying over the rates that the community service providers pay for the same job.

Hon. Deborah Matthews: Let's get the facts on this one.

Mrs. Christine Elliott: Okay. I'd appreciate further information on that.

The Chair (Mr. Michael Prue): You have about one minute.

Mrs. Christine Elliott: All right. I have one last question, then, on palliative care hospices. I understand that currently your ministry funds 28 of them, yet there are 11 of them where the hospices have not even been built. I'm wondering if you can tell me what the money is being used for and where it is going.

Hon. Deborah Matthews: Sure. It's being used for palliative care. When the decision was made, back when George Smitherman was Minister of Health, to fund hospices, the decision that was made then was to fund existing hospices, whether or not they had a residential hospice. In London, for example, we have a hospice but it's not yet residential. It's going to be residential. It provided hospice care in the homes of people who were receiving palliative care.

That money went to the LHINs, and the LHINs used it for palliative care outreach in a non-residential—but it was always earmarked and attached to that hospice. Several of them—Bruce—Grey—Owen Sound; I'm not sure about the one in Mr. Clark's riding.

As we're seeing more communities build hospices, that money can be used to fund partially, because we do not fund all of the costs of a hospice. We do fund the nursing care in a hospice; that money can be used. This is all part of a process with the LHIN, to determine the best use for that money.

The Chair (Mr. Michael Prue): Okay, I'm going to have to cut you off there. The next 20 minutes goes to Ms. Gélinas.

M^{me} France Gélinas: I'm just going to finish what she was getting at. There are 11 of them that receive hospice funding. They don't have residential beds; they provide the care in the community. Some of them that had actual buildings have recently closed.

I guess my question is, how much money do we spend on hospice care right now? Let's start with this.

Hon. Deborah Matthews: I'm aware of only one hospice that closed in Toronto. Are there others you're aware of?

M^{me} France Gélinas: No. I'm aware of that one closing.

Hon. Deborah Matthews: Perram House closed, and that money was transferred to another hospice that was operational, that didn't fall under that original funding agreement with hospices. So the Kensington Hospice has received funding that had been directed to Perram House.

1650

M^{me} France Gélinas: How much money do we spend altogether on hospices?

Hon. Deborah Matthews: We will get you that number.

M^{me} France Gélinas: Okay. Can I have it broken down and—

Mr. Saïd Rafi: Sure.

Hon. Deborah Matthews: We'll do what we can.

M^{me} France Gélinas: Okay, into as small chunks as you can. Their funding comes through the LHIN, so I guess I could get it at the LHIN level.

Hon. Deborah Matthews: Yes, you could.

M^{me} France Gélinas: Do you still keep track of physician distribution and identify underserved communities?

Hon. Deborah Matthews: We do not have the Under-served Area Program any longer. We've replaced that with the NRRR, which is having a wonderful impact in northern and rural Ontario.

Do we still keep the data? I will have to—

Mr. Saâd Rafi: I don't know how much detailed data we keep, but we certainly are trying to monitor the needs through HealthForceOntario, especially in certain rural communities, EDs etc.

Hon. Deborah Matthews: The LHINs now have responsibility for primary care. They have primary care leads in each of the LHINs, and it is very much a focus of the LHINs to make sure that everybody can get access to a primary care provider. We don't dictate where doctors set up practice, so we are a little bit limited in what we can do, but the LHINs are taking on that—

Mr. Saâd Rafi: The ICES study—

Hon. Deborah Matthews: ICES—go ahead.

Mr. Saâd Rafi: There's an ICES, the Institute for Clinical Evaluative Sciences, study on primary care coverage in Ontario by distance. It looks at the entire province as to the supply of primary care physicians. We could provide you with that as well.

M^{me} France Gélinas: Okay. So right now, the ministry has no overall responsibility to manage that precious resource we call physician manpower. All of this is being done at the local level, yet the LHINs don't fund physicians?

Hon. Deborah Matthews: We have some tools. We have family health teams, we have community health centres, we have nurse-practitioner-led clinics, where we do determine physically where they are located. But physicians are not employees of the government. We pay them to provide care.

The LHINs, though, are very much interested in the distribution of physicians. It's fair to say that because we now have, I believe, 4,000—maybe even more; 5,000—more doctors working in the province, they're going where they can get patients. I'm sure that when you met with the OMA students, you heard that their number one concern was, "Will we have a job when we graduate?" So we are addressing the shortage of physicians. We have some communities where physicians are having trouble getting enough patients to make their practice viable, and, as we do more of that, then they are moving to other communities.

Mr. Saâd Rafi: I would just add that we have the only 25-year study of physician and nurse supply in the country. The deans of medicine from across the country are using that in a committee that has been struck with ministries and deputy ministers of health to try to do a

better job to look at that supply, because it takes about 10 years to grow a physician in terms of a specialty.

Secondly, as you would be well aware, I think the investment in NOSM, the Northern Ontario School of Medicine, has shown a percentage in the 90s of graduates who stay in the north, who end up being attracted to study at NOSM, and they're also coming from the north. I think those are a couple of measures that, while they may not be systemic planning, are certainly indicators of an understanding of where supply could be matched with need, recognizing that the run rate is a long cycle, and to get that balanced perfectly is really difficult.

M^{me} France Gélinas: You've mentioned the family health teams. I'm interested in knowing how much the government invests in family health teams altogether. If you can break that down in any way you can share it with me, I would appreciate it. As well, you also fund FHTs position-specific, so I would like to have a breakdown as to how many different positions you fund through the family health teams, as in how many physicians, how many nurse practitioners, how many nurses, how many social workers?

Mr. Saâd Rafi: We fund the inter-professional service providers. We don't necessarily fund the physicians; they are billing through a capitated model or through fee-for-service. But, yes, I think we can do that. There are 250 family health teams, so it will take a bit of work.

Interjection.

Mr. Saâd Rafi: Two hundred. Sorry.

Hon. Deborah Matthews: Two hundred.

We have 1,800 allied health professionals, I think it was, working in our family health teams, and over 2,000 physicians, if my memory serves me right. We add 40 net new physicians every month to our family health teams. So while we have 200 teams, they are growing and serving more and more people.

M^{me} France Gélinas: So this is what I'm interested in: the 2,000 physicians and the 40 new ones every month. Where are those numbers captured, as in you can tell me you fund directly 1,800 allied health, and I take it you will give me a breakdown if they are nurse practitioners, physiotherapists or others, but when it comes to the 2,000 physicians, how do we know who works in the family health teams? Are they all GPs? Are they psychiatrists? Are they—what do we know about them?

Mr. Saâd Rafi: They would be very unique to the catchment area they serve, as would the allied health professionals in terms of how many PTs would be needed versus NPs etc. That is based on an application approach where the family health team organization says, "We can roster X number of patients over this period of time, ramped up." So there's a back-and-forth with them.

Many times they might be more ambitious, so we might give them X per cent in the first year and then monitor it year by year to see whether they are hitting their roster targets. So it's not formulaic per se. It's really quite dependent on catchment and need.

M^{me} France Gélinas: Because when the Auditor General did a review of alternate payment plans, he made

it clear that family health teams went what is described as the healthy and the wealthy. They did not go in areas of the province that had the highest needs. They went into areas of the province where people were wealthy, where people were healthy.

Now you're telling me that we are adding resources to areas of the province that are already healthy and wealthy, but yet there is no mechanism to see how the distribution is being done, to manage physicians' manpower so that accessibility for people who have the highest need is done. It's not going to happen through the 200 family health teams that are in place. The auditor has already told us that they had located in areas of healthy and wealthy Ontarians.

Hon. Deborah Matthews: So, never wanting to quarrel with the Auditor General, I think it would be time for a refresh of that perception. And, of course, community health centres, as you know better than anyone, are by and large—not exclusively, but by and large—located in communities that are harder to serve.

M^{me} France Gélinas: They're not getting 40 new physicians every month, are they?

Mr. Saâd Rafi: That's the number of physicians entering practice in the province, as opposed to all primary care physicians going into family health teams. So I think we want to be careful about—it's about 2,700 physicians as of September, up 300—

Hon. Deborah Matthews: In family health teams?

Mr. Saâd Rafi: Yes. That's up from 2,400, which I think was a question last year. So that would stand to reason, that some 180 physicians are entering practice in differing ways, and that ratio probably works, given the number of family physicians to overall physicians in Ontario.

M^{me} France Gélinas: Okay. What Minister Matthews had told me, I thought was true. From the ground up, you are adding physicians to family health teams at a steady rate. That's what they—

Mr. Saâd Rafi: Rosters are increasing as well, and when they hit certain roster numbers, then it may be necessary to add a physician to a practice. But we try to temper that based on the demonstration that that family health team has hit its roster numbers, and some don't.

M^{me} France Gélinas: And what happens to other models of care? What happens to community health centres, aboriginal health access centres, nurse-practitioner-led clinics that do reach their rosters? How come they don't have access to growth? They tend to be located in areas of high needs, but when they hit their roster—and it doesn't matter how long the wait-list of people who want to go see them—they don't get extra resources. But the family health teams, who in the opinion of the Auditor General are located in the healthy and wealthy neighbourhoods, do.

1700

Hon. Deborah Matthews: You know that we've almost doubled the number of community health centres. We have invested significantly in expansion through community health centres. The nurse-practitioner-led

clinics are doing well but they've still got room to grow within the existing models. So we do watch carefully how many patients they're rostering. We do enhance capacity where there's a demonstrated need.

M^{me} France Gélinas: Okay, I'll focus, just for this one, on aboriginal health access centres. Let's start with, how much money does Ontario invest in aboriginal health access centres?

Hon. Deborah Matthews: We'll get you the number. I don't have it offhand.

M^{me} France Gélinas: And what is the process in place for them if they have long, long wait-lists of people who want to become their patients? What are the processes in place to increase their staffing?

Hon. Deborah Matthews: We'll get you the answer on that. As you know, I think there are only maybe 12 or 15 AHACs?

Mr. Saâd Rafi: Twelve, I think.

Hon. Deborah Matthews: Twelve, yes. So, they—
Interjection.

Hon. Deborah Matthews: Ten? Okay, 10.

Then we have some others, like the Anishnawbe here in Toronto that is not an AHAC. So we have a number of these practices that focus on aboriginal health. We've got a nurse-practitioner-led clinic in Thunder Bay that focuses on aboriginal health. The issue of health equity, particularly amongst the aboriginal people, is something where we're doing as much as we can to have much, much better improved services for aboriginal people, even though we'd like the federal government to be more of a partner on that front.

M^{me} France Gélinas: I agree there. What I would ask, then, is: Since last year, how much more resources were invested into family health teams, how much more resources were invested in AHACs, in community health centres and in nurse-practitioner-led clinics, which are the four—

Hon. Deborah Matthews: Models.

M^{me} France Gélinas: —models. If you could supply this, please?

Then, I'm interested in the new birthing centres. When will they be operational?

Hon. Deborah Matthews: The one in Ottawa is now operational. I was there for the opening of it. It's lovely. The Toronto one ran into some other development issues, and I think they are scheduled to open in the next few months—it's well on its way, but I don't believe it's open yet.

M^{me} France Gélinas: And how much money did the ministry invest in those two birthing centres for the last fiscal year, as well as, how much do you intend to invest into those two?

Hon. Deborah Matthews: There will be the capital costs to get them built and then the ongoing operation of them.

M^{me} France Gélinas: I'm more interested in the ongoing operational costs. How much have we invested in the operational costs so far in the last fiscal years?

How much do you intend to invest in them once they're fully operational?

Hon. Deborah Matthews: Excluding fees to midwives?

M^{me} France Gélinas: I'd like both.

Hon. Deborah Matthews: Midwives bill on a fee-for-service.

M^{me} France Gélinas: No, they're on salaries.

Hon. Deborah Matthews: No, course of care.

M^{me} France Gélinas: Course of care, okay.

Hon. Deborah Matthews: So that's a capitation fee, yes.

Mr. Saâd Rafi: It's going to be a small number.

M^{me} France Gélinas: Yes, but I'd still like to know the number.

Mr. Saâd Rafi: Just to temper your expectations.

M^{me} France Gélinas: Small numbers are good, too.

Mr. Saâd Rafi: Okay. I just didn't think you were leading to small numbers; you were looking for bigger numbers. The comparison will be very stark.

M^{me} France Gélinas: I realize it's only two birthing centres.

Mr. Saâd Rafi: One, because one hasn't opened yet, and the other one just opened, so its operational costs will be very limited in a partial fiscal year.

M^{me} France Gélinas: Then I'm more interested as to, how much money did you put aside to run those two, once they're at full capacity?

Hon. Deborah Matthews: Yes.

Mr. Saâd Rafi: Okay.

M^{me} France Gélinas: I continue to receive complaints about ambulance fees, where people have to pay when the ambulance came and picked them up. Has your ministry looked at this at all? Do you know who are the highest billers and the smallest? Do you have any intention of putting out any regulations toward ambulance fees?

Hon. Deborah Matthews: Are you talking about ambulances or are you talking about stretcher transport services?

M^{me} France Gélinas: I always like this when new vocabulary comes into place.

Hon. Deborah Matthews: The stretcher transport services are not ambulances. They are not manned by paramedics. They are used to transport people who need to be on a stretcher but who are stable.

M^{me} France Gélinas: Okay. Let's start with ambulances. I dial 911; I'm not feeling too good. I call an ambulance; they come to my house; I get to the hospital. Depending on which one happens to come and pick you up, in my riding, you will get a bill between \$75 and \$95 coming to your house.

Hon. Deborah Matthews: I believe the fees are consistent across the province. I'm pretty sure that seniors and people on disability are not charged for those services. We'll get you the policy on that. The stretcher transport services are different, though.

M^{me} France Gélinas: Is this what I know as inter-facility transport?

Hon. Deborah Matthews: Yes, probably.

M^{me} France Gélinas: They're now called stretcher transport. And who regulates those?

Hon. Deborah Matthews: They are currently not regulated, but the Ombudsman has recommended that we do, and we are very close to the point where we're going to be able to regulate them. It's the Ministry of Transportation and the Ministry of Health working together. We've been in consultations with the sector, and that will be coming forward shortly.

M^{me} France Gélinas: Are we measuring "shortly" in hours, days, weeks, years, or decades?

Hon. Deborah Matthews: Definitely not decades, nor years.

M^{me} France Gélinas: Okay. Months?

Hon. Deborah Matthews: Maybe.

M^{me} France Gélinas: All right. Okay, same thing about parking fees: I'm sure you receive those unhappy campers' emails about parking fees that are real barriers to access for a number of people. Any intention, from the ministry perspective, to put an equity lens, an access lens, onto the issue of hospital parking fees?

Hon. Deborah Matthews: I'm sure you know that each hospital is an independent corporation that makes decisions around charging for parking. I get the same letters that you probably get. I think that each hospital board should have a very serious look at the fees they charge.

Some hospitals provide passes for people who come regularly for dialysis, for example; they could pay less. People who have a loved one in hospital for an extended period of time could get a reduced fee. So this is—

M^{me} France Gélinas: Sorry. Some get it almost right; some, frankly, don't. To say this is what you would like to see—you are the Minister of Health. There are enough people who have put in enough complaints about this that, at this point, I think the sector needs to be regulated. To leave it to individual hospital boards, which is the way that it has been for such a long time, has caused serious barriers to access for a lot of Ontarians.

Hon. Deborah Matthews: I will take that under advisement. Of course, you know that patients will say that's one of the reasons they like community-based clinics. Because they aren't located in the hospital, not only do they not have to pay for parking but they don't have to walk so far, once they park their car, to get to the part of the hospital where they'll receive their care.

In London now, we've got a dialysis centre that's located on the second floor of a mall. Patients love it because they can just park, and it's a much more pleasant experience than the experience they had before, when they had to navigate the hospital.

This is an issue—I'll be honest with you—that troubles me, and I take your advice.

The Chair (Mr. Michael Prue): All right. I'm going to have to stop you there. You went about 30 seconds over.

We're now on to the government. Ms. Jaczek, the floor is yours.

Ms. Helena Jaczek: Thank you, Minister. Thank you, Deputy. I was impressed by your perspicacity, Chair. In fact, my first request of the minister would be to continue her slide presentation on Transformation in Motion.

Hon. Deborah Matthews: Okay.

The Chair (Mr. Michael Prue): And I'm impressed by the word. I have not heard that, "perspicacity," for a long time—clearness of thought, by the way.

Hon. Deborah Matthews: Clearness of thought? Excellent.

I think I was on slide 36, which deals with health links. I have to say that for me, health links are the most exciting thing happening in health care right now, because they really do put the providers together with the patients to be creative, to be thoughtful, to be responsive to patients' needs. We now have community health links in 37 different communities. We see the day where everyone in the province will have access to a health link.

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What we're saying to these health links is, "Here's a patient with complex needs. Don't point the finger at us or at each other. Figure out the problem that works best for this patient."

We have an associate deputy minister, Helen Angus, who is responsible for transformation. She has been leading the charge on health links, and we're seeing wonderful results from health links, getting people out of hospital and into the most appropriate care in a much more coordinated way.

When it comes to information-sharing, 10,000 physicians and nurse practitioners have a provincially funded electronic medical record or are in the process of implementing it, so nine million of the 13 million Ontarians have an electronic medical record.

The mental health strategy is supporting collaboration. As I said, we focused on children initially, but the focus increasingly will be on adults.

We did also put a significant investment into our narcotics strategy to support people with addictions to prescription drugs, particularly.

These health links—we've talked about them a bit. It's all about wrapping the care around individuals so that if they are receiving care from different providers or if they are transitioning between different parts of our health care system, the team is there around them. I'm very excited about this opportunity and I'm inspired by the front-line providers who are recognizing and acting on the opportunity to work together.

We've got 37 health links. We've got lead partners. Each one selects their lead partner. We've got community health centres, family health teams, hospitals, CCACs and community service organizations, all working together. As these community health links are getting more established, they are learning that they need to go beyond traditional health providers, so they are including mental health agencies, public health units, food banks, EMS, educational providers, housing, police, long-term care. It's geographically defined—about 100,000 people, typ-

ically, is the population of a health link area—and it's working beautifully.

What it means for patients is that they will have common principles for coordinated care plans. Patients will have help navigating the system. We are determined to let the patients guide their care plan. As I say, it's working well.

Bernice, on slide 40, is actually a real person. She's 64 years old. She has multiple medical and mental health issues, including diabetes. She lives alone in subsidized housing and receives social assistance. She has no transportation available. She often misses appointments. Because she can't get the care she needs, she can't make it to the appointments, her care is uncoordinated. She is suffering. Her cost to the health care system was about \$90,000 for that year and she was not getting the care that she needed. With the help of a community health link, we get all the right people providing the right care, wrapping that care around her. So we are starting to see stories of people who are benefiting from community health links.

As I say, our objective is to cover the province. I will just talk about a couple of examples of progress.

The mid-Toronto west health link has 70 physicians, attendant sector engagement. We have patient engagement strategies for seniors, Chinese, young adults, and complex vulnerable subpopulations. We've got rural health links that are providing a range of care and measuring the success. So we are measuring progress.

We are looking at reducing avoidable emergency department visits, reducing unnecessary 30-day readmission to hospital, reducing the time for referral from the primary care doctor to the specialist and improving the patients' experience in their journey through health care.

As I say, we had remarkable response from health providers across the province. We now have more than 37—more in the works—and I am, as I say, very excited about this. This is unlike anything else we've done in the ministry, because we are really letting go. We are letting those professionals who know their communities and know their patients guide health links. They are working with the LHINs, and our approach is flexible. We are placing our confidence in the front lines. We believe they know their patients best, so our job is to break down the silos and facilitate them in providing the best possible care.

I call Helen Angus our silo buster, because her job is to make the system work for patients with complex needs. You'll see this quote on slide 45. Dr. David Price is a real leader in primary health care in this province. As you can see, he says, "All of those involved have experienced important epiphanies, the 'stuff' of which transformation is made...." We're finding that these providers are having those "aha" moments where they just realize that a little bit of extra—maybe it's transportation to appointments—really changes the outcome for patients.

We knew that sometimes our policies and our procedures were impeding innovation and transforma-

tion, so we have said to the communities, “You tell us what we need to do differently.” Just one example is that some physicians and nurse practitioners have difficulty accessing mobile X-ray services in long-term-care homes, so some residents are sent to hospital for X-rays when they could get mobile X-rays in the long-term-care home. So, again, better value for money, better care for patients.

We are moving forward with health links and with transformation, so we really are wanting to create systems that allow health care providers to spend more time with patients. We’re expecting greater shared accountability for the patient journey. A lot of work is under way with quality improvement plans, not just for hospitals, but for providers—more is needed. We have an ongoing quest for the evidence about best care and what interventions have the best, most significant outcome for patients. We are striving to be transparent, and we need a financially sustainable health care system.

The indicators of success outline how we know we’re achieving the results we need for transformation, including that wait time one, from referral—when the primary care refers the patient to the specialist—to the time they see the specialist; 30-day readmissions, avoidable ERs, so there is a range of ways that we are measuring our success.

We are really looking to the sector to provide local solutions. Much as we would like to run everything from the 10th floor of the Hepburn Block, we actually know that others can do it better, and the people who can do it better are the people on the front lines.

We’ve got a website. It’s got information about the action plan. There’s a collaborative space for health links to connect with each other, blogs chat rooms etc., and we’re wanting to make sure that patients know what’s available to them so that we do have a sustainable health care system.

Ms. Helena Jaczek: Thank you, Minister.

The Chair (Mr. Michael Prue): The floor is still yours.

Ms. Helena Jaczek: Thank you.

Well, it’s useful to think of the action plan as having these four pillars, and I’d like to explore a little bit more on the funding reform piece. Specifically, the attempt is to hold the line on hospital budgets and to shift resources wherever possible. Perhaps you could just talk a little bit about how hospitals are coping with this, the type of response you’re getting from, obviously, very important stakeholders and how you see progress being made in terms of increasing that community care piece?

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Hon. Deborah Matthews: When it comes to the hospital funding transformation, I cannot stress enough how big a challenge this is for hospitals. They are working very hard to wrap their heads around what the future looks like for those hospitals. Of course, some hospitals, particularly hospitals in growing communities, want us to do this fast. They want it tomorrow. Other communities where the population is not growing are seeing a small

reduction in funding, so they need to rethink how they deliver care.

What we’ve done is—our model does show what hospital funding would be at full implementation, but we’re doing that over a number of years. So we put what we call mitigation corridors around the changes. Last year, I believe no hospital received less than negative 2% and no hospital received more than a 2% increase, so it was a plus 2, minus 2 corridor. This year it’s a minus 1, plus 3 corridor. We are doing this in a manageable way, but hospitals know what’s coming and they are working hard to adjust to their new reality.

I can tell you that I have been enormously impressed with hospitals and with the Ontario Hospital Association. They all know this is the right way to go, but getting from here to there is difficult. They are doing that work, and I would say it’s going well—in fact, I would say it’s going very well—but it is not easy work for hospitals. They’re having to make difficult decisions, but they’re rising to the occasion.

The movement to the community is going very well. We’re seeing our ALC, alternate level of care, rate drop—people who are in hospital who shouldn’t be in hospital and would receive better care elsewhere. We’ve seen it drop by 25%, and I think we’ll continue to see progress on that as more and more hospitals embrace the Home First philosophy.

I had a personal experience recently where a gentleman I know—he was in his 80s—had a stroke and went into hospital. The hospital said, “It’s time for you to go into long-term care.” He said, “Over my dead body.” So they applied the Home First philosophy. He did go home. He was home for another year, which was exactly where he wanted to be, and he eventually passed away. He had another stroke and passed away, but he never did have to go into long-term care. That, for me, is a real success story. We’re enhancing those home supports. He got home from hospital; he didn’t have to go into long-term care. So it’s working.

When I first became health minister and I was trying to wrap my head around this ALC issue—I knew it was the most expensive care, and I knew it wasn’t the highest quality of care—the answer became quickly apparent. We could free up those hospital beds for people who needed to be in them, free up those hospital beds for people in ER—we are seeing a reduction in ER wait times because those beds are available—by shifting resources to the community.

So while hospitals are having to make these significant changes to how they operate, we are also taking pressure off them by investing elsewhere in the community. They know that, they recognize it and they are very supportive of it.

Ms. Helena Jaczek: As you know, Minister, I come from one of those very high-growth areas of the province, and I’ve certainly heard from some of my constituents, knowing that hospital budgets are constrained to a certain extent and that we’re shifting to the community—there’s a fear sometimes that hospitals are going to dis-

charge patients prematurely, just to sort of manage in terms of the patient load that is constantly coming in through the emergency department. So I was wondering: How is the LHIN or how are we monitoring this type of potential problem of early discharge? Are we looking at readmission rates? Who is really responsible for making sure that that type of fear is not realized?

Hon. Deborah Matthews: The decision to discharge a patient from a hospital is a clinical decision, and it's very important that physicians—and I think they do know that that is a clinical decision that they would make only in the best interests of that patient.

We are hearing, anecdotally, about physicians who are more comfortable discharging patients when they know there is very robust home care support that will be there for them on discharge. When people are ready to go home, getting them home with the right supports actually can reduce the length of stay in a hospital.

We do measure readmission rates. A 30-day readmission rate is a very good, internationally acknowledged indicator of that transition home. If there is a good transition home, then people won't come back very often. If there was not a good transition home, whether they aren't taking the medications as prescribed or they didn't get home care, we will see them come back to the hospital. So that is, I think, one very good indicator of that part of the health care journey.

Mr. Saad Rafi: I would just add that we're also looking at the opposite side of the issue, which is a higher degree of admitting rate for patients because they might be easier to care for. In the quality-based procedures where expert panels are examining this, we're now moving to look at appropriateness and length of stay so that there will be an ability to track and monitor and to say that, "You're admitting 40% of minor stroke patients when the length-of-stay best practice is 15%"—or knee-replacement rehabilitation, in-patient versus out-patient. So we're trying to use evidence on both ends of the spectrum.

Ms. Helena Jaczek: Thank you very much.

The Chair (Mr. Michael Prue): Less than a minute.

Ms. Helena Jaczek: I wanted to talk a little bit more about home care in terms of that investment. Just broadly, what type of percentage increase have we seen recently?

Hon. Deborah Matthews: Last year our budget was 4% to the home and community care budget; this year it was 6%, because we know that it is a key enabler of transformation. The more we invest in home care, the more we can get people home safely and quickly.

The Chair (Mr. Michael Prue): Thank you. We now have 20 minutes in rotation to the Conservatives. Mr. Clark.

Mr. Steve Clark: Thank you very much, Chair. Minister, earlier in questioning by Ms. Elliott you had mentioned long-term-care homes in a discussion about the CMHC. I understand that there are some opportunities for prepayment for long-term-care homes with CMHC mortgages that require capital repair or renos. Are you aware of those, that that's an issue in some long-

term-care homes? Because you're going to be having conversations with the CMHC, I just wondered what your list of items were.

Mr. Saad Rafi: I'm not familiar with the prepayment opportunity, but I think that the CMHC has made a national decision to be out of long-term-care-home funding. It has apparently affected some home providers. This is the feedback we got in part of the market testing.

We've engaged with CMHC, and they have put a number of requirements that they would like to see—transferability of the licence and their taking on of the licence should a default take place, I believe. So we're working through those with them. They're looking to have all their conditions met before they wish to re-enter the market, but we're still trying to encourage that. I would have to look into the prepayment opportunity.

Hon. Deborah Matthews: The way we fund long-term care, as I'm sure you know, is that we don't pay up front; we pay on a per diem. Those long-term homes do have to get that financing over a period of many, many years, and they will get it back over time through enhanced per diem payments.

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Mr. Steve Clark: Yes, and the reason that it twiggled my mind when Ms. Elliott was asking the question is that I have a home in my riding, just outside of Brockville in Elizabethtown-Kitley, Sherwood Park Manor, and they're having a particularly difficult future, partially because of their 50-year CMHC mortgage.

Hon. Deborah Matthews: On their existing building?

Mr. Steve Clark: Yes, on their existing building.

Hon. Deborah Matthews: They have a 50-year mortgage?

Mr. Steve Clark: Yes. It goes back from the 1970s. We've been going back and forth with my MP, and I saw a letter from Minister Finley that indicated that the mortgage was transferred to the province back in 1999. So there's this discussion about how—because it's a not-for-profit home, and I'm sure you know that in the South East LHIN, they're a bit of an anomaly. There are only three not-for-profit, non-municipal homes within the South East LHIN, and Sherwood Park Manor is one of them. I've had some time to think as we've had the rotations, and I'm wondering if the ministry would consider working with a home to provide funding to allow them to renegotiate a mortgage that is now a constraint for them to operate. It's one of the many constraints.

Hon. Deborah Matthews: I will definitely undertake to look at that particular situation. I don't know what options we might have, but we will definitely look at that.

Mr. Steve Clark: Yes, and the other thing I understand is it becomes a prepayment penalty. So let's say the home decides they're going to prepay it and get a better rate, to get a market rate today. I guess because of the federal-provincial relationship, perhaps—and you may want to comment or may want to reserve comment. I would love to see the ministry perhaps help lobby CMHC to have a more favourable penalty so it's not a constraint

on the home to try to renegotiate and get themselves back on a financial footing. That would be something that I would think you would want to do in your conversations with CMHC, and ask specifically about that prepayment penalty that I understand is a huge issue.

Mr. Saïd Rafi: We'll look into the specific situation of the home, and if there are penalties for prepayment, I would agree, and maybe there's something we can speak to CMHC about.

Mr. Steve Clark: Yes, and the other thing that I think perhaps you could ask the LHINs province-wide is, "Has this come up? Have other long-term-care homes approached their local LHIN or the ministry about these CMHC mortgages, asking for some assistance?"

Hon. Deborah Matthews: It's the first I've heard of it.

Mr. Steve Clark: So that would be an interesting question to pose. I'd love to have that answer—and not just the number. I think if there was some assistance that the ministry or the LHINs did give the home, I would love, again, to get that type of information back. It would be, I think, quite useful.

Hon. Deborah Matthews: We are very committed to the redevelopment, so if this offers another opportunity—

Mr. Steve Clark: Sure. Listen, I'm going to be totally honest with you: There are 107 long-term-care beds in my riding, and I don't want to lose them. I want them to remain in Leeds–Grenville. I don't want them to move, and I recognize that they don't have the same funding opportunity as the home across the street, the municipal home that has a municipal contribution. I guess my concern has always been that these types of homes, this anomaly of a not-for-profit home with no municipal agreement—they don't have the opportunity to get supplemental funding. With a municipality, you would go to the board and you would deal with the municipality directly. I think it would be something that the ministry would want to look at, given the fact that there are so few strictly not-for-profit homes in the province.

Again, it twigg'd my mind when you talked about the not-for-profit clinics. Again, this is something that's very narrow. There are not a lot of them around, so I would hope that you would look at that and just put that on your radar screen.

Mr. Saïd Rafi: The question about what other long-term-care homes have asked for assistance regarding CMHC—interestingly enough, Revera, a publicly traded company that has Canadian and US operations, has asked for some assistance with CMHC because they exited the market, CMHC did. I guess the financing is a little cheaper, whereas other foreign not-for-profits seem to be using other mortgage insurance providers.

Mr. Steve Clark: Just on another subject I'd love to hear your comments on: I received a document in my inbox, and they say that every MPP got one from a group called OCLR, the Ontario Coalition for Lab Reform. It was a press release dated October 28, and they talked about a report called Bad Labs in Ontario: Waiting Too

Long. Are you aware of this press release and this website regarding bad labs?

Hon. Deborah Matthews: I am definitely familiar with the Ontario Coalition for Lab Reform. I think Gerard Kennedy is the president of that organization.

Mr. Steve Clark: Yes, I'm just reading that.

Hon. Deborah Matthews: I'm not familiar with that particular report, but what I can tell you is that we have a review of our lab services under way right now, and it's good to see one particular lab or the coalition of labs weighing in on what needs to be done in that sector.

I can tell you that the highest priority for me is access, that people who need to get their blood tested or whatever have reasonable access to those specimen collection centres, that they are of the highest quality, that we have confidence in the results and that we get the best value for the money we spend on labs.

This is a part of our health care system. I think it's fair to say there's not much in the health care system that we're not looking at pretty closely, and the lab sector is one of them.

Mr. Steve Clark: The release I've got in my hand says, "The coalition presented its reform plan for a new 'patient choice' system that would compel community labs to compete with one another to provide patients with better service, lets the Ministry of Health get best value from an updated pricing system and set up stronger provincial oversight and standards, at a savings to government."

Have you included that type of patient choice system as part of your review? Are you looking at that model?

Hon. Deborah Matthews: Sure. Labs are private companies or publicly traded companies. They are companies that compete. We are looking at the fee schedule, because we do know that technology has improved productivity in the lab sector as well, so that's one of the things that we are reviewing in this lab review.

Mr. Steve Clark: And when did you say that the review would be finished and the results would be made public?

Hon. Deborah Matthews: That work is under way.

Mr. Saïd Rafi: The challenge that sometimes isn't put out in the limited space that releases may provide would be that we have 60% of tests from one provider, 30% from another, and then three or four plus companies that make up the difference. Choice is always very important, and that speaks to, perhaps, access.

Quality is also important, like the minister said, and value for money, which that release identifies as well. It's a big province, so geographic dispersion of access points has to be taken into consideration. We're finding that it's a very challenging move to go from an existing structure that has been in place since, I believe, 1996 or 1998 to instant full competition without having winners and losers. We want to take our time to do that and not create a situation where bigger players are advantaged or smaller players are advantaged or disadvantaged, so I don't have a detailed timeline as to when we might get that.

Mr. Steve Clark: Are you looking, as well—I know some of the docs in my riding mentioned this before the last election—at allowing hospitals or family health teams to create proposals and jump in the mix in a competitive system? Is that also part of your review?

Mr. Saâd Rafi: It is, and we did consult with the hospital community, the Ontario Hospital Association, because hospital lab volumes are almost as high as these community lab volumes—you know, back and forth. The nature of hospital lab testing is somewhat different—emergent need, as opposed to planned or scheduled, like you might get from a requisition from a family physician. But, again, are there some things that hospital labs could do, or are there some things that community labs could do for hospitals? Again, is that a better price point with value as well?

We also looked at public health labs. On that, we decided that the province-wide nature of a public health lab, as it deals with international labs, didn't fit that model. We continue to look at all sources that are providing millions of lab tests a year.

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Mr. Steve Clark: I'm not very good at some of these diseases, so I'm going to spell this one first for you. Just for Hansard's benefit, right?

Hon. Deborah Matthews: Yes.

Mr. Steve Clark: A-d-r-e-n-o-l-e-u-k-o-d-y-s-t-r-o-p-h-y, or ALD. I have a young constituent, Sam Tobias, who passed away April 5. He was eight years old.

Hon. Deborah Matthews: Eight years old?

Mr. Steve Clark: Yes. It was a disease that his parents, Nicole and Craig, tell me that you can treat if it's caught in a newborn screening. They've also indicated to my office that because we're a border community—New York state is right across the south end of my riding. They're telling me that New York state is doing newborn screenings and that other jurisdictions are looking at it as well.

I'd be interested to know the cost of such screenings and what they would be if the government made a decision to screen newborns and try to understand how to balance that cost in terms of people who are affected by ALD. So I'm not sure if you want to say a comment or—

Hon. Deborah Matthews: I'm more than happy to speak to newborn screening because this is something where Ontario has made big investments.

Ten years ago, we screened for two conditions; now we screen for 29. I just announced the most recent screen that all newborn babies in the province will get, and that's for bubble boy disease. It's called SCID, severe combined immunodeficiency syndrome.

At the last federal-provincial-territorial meeting, the health ministers agreed that we would look at a pan-Canadian newborn screening protocol, because when you look at what different provinces do, there's a lot of variation. At CHEO in Ottawa, that's where the lab is for the newborn screening here in Ontario, and I actually had a visit to see.

I'm not familiar with this particular condition, but we are looking to continue to enhance newborn screening.

Mr. Steve Clark: So you could give me some costing of how much screening for ALD would be?

Hon. Deborah Matthews: I could see if we have that. I'm not sure we've looked into that particular screening. I know that screening for SCID was, I think, \$6 a baby. So it's a relatively small cost. And with SCID, it can be treated, if it's caught early, with a bone marrow transplant. It's not a small intervention, but that will save lives.

Mr. Steve Clark: Back in November, you and I had a conversation about another issue called EDS, or Ehlers-Danlos syndrome. I had not one but two constituents, a brother and sister, Charlie Smith and his sister Jessica. I know the community did a number of fundraising activities around them. I think most acknowledge that the reason that those fundraising activities took place was the change that the ministry made in out-of-country coverage—the fact that it changed from a GP to a specialist.

We had a long conference call, yourself and I, about being able to access care in Ontario and the frustration that EDS patients had. A number of them ended up going to Maryland to one particular doc for a procedure. I never really closed the loop with you, Minister, about that because I had expected that I'd get some additional information.

I know that EDS is difficult. I think you mentioned at the time that there are a number of different issues around EDS. But again, I would be interested in getting the change in funding from out-of-country coverage prior to your regulation change, when GPs were able to provide that referral, to now the new standard that requires a specialist.

As well, I would like to receive some information from the ministry specifically about health care spending around EDS. You had mentioned to me that there were health care practitioners, specialists, who could provide care for EDS patients. However, when I spoke to the EDS community, I couldn't find any, so I would love to have some treatment figures from you, as part of the estimates process, specifically on EDS. I just see that people are fundraising and that the health care system isn't picking these—in my riding, a young man and a young woman. They've had to go to Maryland for this surgery. I know there have been people in the Speaker's riding where it is the same way, and he and I have had a conversation about this after some initial media attention.

Again, it just speaks to the fact that things have changed, and now I see a lot of community fundraising within my riding and throughout the rural area that I represent and that some of my neighbours represent. It just seems that people are always fundraising for diseases and conditions that they didn't have to fundraise for in the past.

Hon. Deborah Matthews: I can give you my assurance that nobody should have to pay to send a loved one out of country if there is no provider here who can perform that service. I know that the change that we

made so that specialists are the only ones who can refer out of country was the right change because a family physician simply would not know what options were available here in Ontario. That was the right change, because only a specialist would know what other treatment options were available.

We are determined to provide out-of-country coverage if it's not available here or if it's not available in a timely way here, but when it is available here, then we can't be sending people out of country for procedures that are available. This particular condition—as I recall it, there are a number of hospitals in the province where this procedure is available.

Mr. Steve Clark: Not to be argumentative or challenge you, but I have not ever had any information from any specialist or any patient in Ontario who is part of the community that interacts with Charlie and Jessica who can give me the name of someone who will see you or a hospital that will treat you, other than the one in Maryland. Again, if you have information that you want to share with the EDS community, I would love to see it.

The Chair (Mr. Michael Prue): I'll have to leave it at a statement rather than a question. I think it was a statement.

The last approximately 12 minutes today goes to France Gélinas. You would, of course, continue on the next date with any remaining time. The floor is yours.

M^{me} France Gélinas: Thank you. The next question I wanted to ask was about the breakdown of the funding for the new breastfeeding program initiative that you've announced recently. Will there be money available for lactation consultants? Will it be solely for Telehealth? Is it new money or is it within existing resources?

Hon. Deborah Matthews: It's new money. If my memory serves me well, it's \$2.9 million. The Telehealth support is only a part of the funding. We are working with hospitals and other health providers to achieve the World Health Organization's baby-friendly initiative standards, and that does mean access to lactation consultants. I don't have the breakdown of that; I'm pretty sure it's \$2.9 million. We will do our best to break that down even further if that's what you're interested in.

But I have to say, when I made the announcement, Dr. Jack Newman, who is probably the best known in the province, was very, very pleased with this initiative.

M^{me} France Gélinas: Can I expect that every hospital that does obstetrics would have a lactation consultant or access to one?

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Hon. Deborah Matthews: I believe that is part of the baby-friendly initiative standard, but I will confirm that with you.

M^{me} France Gélinas: Okay. And here again I would like to know how this \$2.9 million will be divided up program-wise as well as geographically, province-wide. I'm always interested in the north's share of the pie.

Hon. Deborah Matthews: Okay.

M^{me} France Gélinas: I know that Christine had asked quite a few questions about wait times for home care that

you answered. The part that I wasn't clear on is that you have told her that in—I forgot my notes—90% of the cases, for nursing it's less than four days and for PSW it was quite a bit longer. Do you start measuring from the time of assessment by CCAC, or do you start measuring by the time of assessment by the primary care provider?

Hon. Deborah Matthews: Part of this wait-time approach is getting the metrics right and consistent across the province. The numbers the deputy gave you earlier are province-wide numbers. There is variation from LHIN to LHIN and from CCAC to CCAC. One of the things that we're doing is making sure we have consistent metrics so that we actually can measure on a province-wide basis. The numbers we have now are from assessment to first service.

M^{me} France Gélinas: But assessment by CCAC provider or assessment by your primary care provider?

Hon. Deborah Matthews: By the CCAC.

M^{me} France Gélinas: Okay. You gave us two of them: nurses and PSWs. Do you have the same statistics for other home care providers, such as physiotherapy, social work or speech pathology? Do you have those statistics for children through the School Support Program that are administered through home care?

Mr. Saād Rafi: I think we can get the former; I don't know if we have the latter. I'll have to find out—for children.

M^{me} France Gélinas: Okay.

Hon. Deborah Matthews: But physiotherapy, we know, is zero in 12 of the 14 LHINs.

M^{me} France Gélinas: It's not zero in the other two?

Hon. Deborah Matthews: It's not zero in the other two.

M^{me} France Gélinas: I'm interested in knowing where it stands for the other two.

Hon. Deborah Matthews: Okay.

M^{me} France Gélinas: And the same thing with social work and other home care services such as occupational therapy. There again, when you get assessed—I can speak for my riding—it can take three months to get your physiotherapy assessment after you have been told that you need home care physio. The physio from CCAC will take three months before they come in and assess you, and another, I don't know, four months before you see an actual physio show up at your door. If you go from the moment that you were referred to CCAC for physio, the person sitting there will tell you, "It took me seven months before I saw them." That's especially true for occupational therapists. You cannot get—I told you this story before—the PSW to come and help you get into the tub because the PSW says that the tub is not safe. Chances are, you need a grab bar. So she makes a referral to the occupational therapist to come and assess what would be a safe way to transfer. She requests the occupational therapist, who doesn't show up for three months, and then actually gets the assessment of the bathroom done another four months down the road. For those seven months, you never got a bath.

Hon. Deborah Matthews: That's not okay.

M^{me} France Gélinas: Agreed.

Hon. Deborah Matthews: That's why we're making enhanced investments in home care and community care. That's why we are, for the first time, starting to measure wait times and getting common metrics for that. When people need a physiotherapist after a hip replacement or knee replacement, they need it now.

M^{me} France Gélinas: Okay. I'd like to know the wait time for the other professions that work in home care and have them by the 14 different CCACs, because the stats are very different depending on where you live in Ontario.

Hon. Deborah Matthews: Yes.

M^{me} France Gélinas: Something else that Christine had started on but I wanted to finish: We understand your commitment to take services out of hospitals and make them available in the community. In theory, it sounds great. You say that you want the not-for-profits to be handling those services in the community, but the recent change in regulations that went through the Ontario Gazette, which everybody reads before they go to bed—there is nothing in there that would prevent a for-profit structure. Why is it that, in the regulations that were put out, we don't find this commitment to the not-for-profit?

Hon. Deborah Matthews: I would have to do some investigation on that.

M^{me} France Gélinas: Aside from you saying you're committed, where are the documents that show that there won't be for-profits taking up this work that used to be done in the hospital?

Mr. Saïd Rafi: You mean a for-profit can set up a not-for-profit entity? Is that what you mean?

M^{me} France Gélinas: No, I mean a for-profit will be setting up an eye institute doing cataract surgery.

Mr. Saïd Rafi: It's not intended to do that, so I'll need to look at that.

M^{me} France Gélinas: Okay. It's not intended to do this, and I hear you say this—

Hon. Deborah Matthews: No. You can find it in the regs.

M^{me} France Gélinas: —but between what you hear and what's written on paper is what people will bid on the work.

The other thing I wanted to ask is: If a group of physicians get together—we'll say a group of ophthalmologists, two or three—to open up an equivalent of Kensington, would they be considered a not-for-profit?

Hon. Deborah Matthews: I just received a note that there will be a policy guide released shortly and we will be clear on the not-for-profit status.

M^{me} France Gélinas: So why not put it in the regulations rather than the policy guide?

Mr. Saïd Rafi: There could be all manner of Byzantine legal reasons why that is the case, but I need to look into that. It wasn't the intent to make it permissive, but I'd have to look at the regulation. We are issuing a lot.

M^{me} France Gélinas: And the policy guide will be specific to that regulation?

Hon. Deborah Matthews: It will be specific to the not-for-profit status.

M^{me} France Gélinas: Okay. And when will the policy guide come? Shortly?

Hon. Deborah Matthews: "Shortly," it says here.

M^{me} France Gélinas: I love those. Minutes, hours, decades?

Hon. Deborah Matthews: I would say, not minutes and not hours.

M^{me} France Gélinas: Days or weeks or months or years?

Hon. Deborah Matthews: Not years.

M^{me} France Gélinas: Okay. Days or weeks or months—I get to pick one. All right.

You didn't answer my second question. If a group of ophthalmologists get together and decide to open up a cataract surgery to go from the hospital to the community where you don't have to pay for parking, etc., are they considered a not-for-profit?

Hon. Deborah Matthews: Groups of physicians are for-profits. In fact, an individual physician often incorporates. In that case, hospitals—there would be some options available outlined in the policy guide about how they could organize themselves.

M^{me} France Gélinas: Okay. I look forward to seeing that.

I'm going into dental. We'll start with CINOT, Children In Need Of Treatment. How much was actually spent? We have how much was allocated for CINOT for 2012-13 and how much was actually spent. As well, more funding was allocated to CINOT. How much of that new funding was actually spent?

Hon. Deborah Matthews: I knew you were going to ask the question, so I—

M^{me} France Gélinas: You came ready.

Interjection.

Hon. Deborah Matthews: Oh, you've got the answer right here? Okay. In our Poverty Reduction Strategy, we committed to \$45 million in enhanced dental care for children and youth. Part of that was an expansion to CINOT.

CINOT, not including the expansion, is delivered through public health units. So I'm just talking about the expansion numbers.

M^{me} France Gélinas: That is part of the \$45-million Poverty Reduction Strategy.

Hon. Deborah Matthews: I'm sorry?

M^{me} France Gélinas: Go ahead.

Hon. Deborah Matthews: We allocated—this actually isn't—

Interjection.

Hon. Deborah Matthews: Here we go. So Healthy Smiles—do you want to talk about both?

M^{me} France Gélinas: Sure. They were next.

Hon. Deborah Matthews: Healthy Smiles Ontario: We allocated, in 2010-11, \$29.5 million, and \$30 million in subsequent years. The actual expenditures have been pretty consistent: \$27.9 million in 2010-11, \$25.8 million

in 2011-12 and \$26.7 million in 2012-13, so a little bit of underspending on Healthy Smiles.

CINOT has been very interesting in that we have seen reduced demand, possibly or probably as a result of Healthy Smiles. What we had hoped would happen was that investing in prevention would reduce the demand on CINOT. It appears to be happening. In 2009-10 we allocated \$13.5 million for the expansion of CINOT and spent \$6.1 million, so we were underspent by \$7.4 million. In 2010-11, we allocated \$10.9 million and spent \$3.9 million—a significant reduction—so \$7 million underspent. In 2011-12, we allocated \$3.9 million and spent \$2.9 million, for an underspend of \$1 million.

I made the commitment, back when I introduced the Poverty Reduction Strategy, to spend \$45 million on enhanced dental care for kids in low-income families. As we're rolling this out, we're seeing that we do have some

excess capacity, so we are looking at what we can do. The \$45-million commitment remains. Now that we're seeing a little more stability in how these dental programs are rolling out, we can look at how we can expand access.

The Chair (Mr. Michael Prue): I'm going to stop you right there.

We have to adjourn for the day. We have three hours and 56 minutes remaining when we come back tomorrow. When the committee resumes consideration of the estimates of the Ministry of Health and Long-Term Care, the NDP has seven minutes left tomorrow.

Therefore, we adjourn the committee until approximately 3:45 p.m. on Wednesday, October 30, 2013. We stand adjourned.

The committee adjourned at 1801.

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Official Report of Debates (Hansard)

Wednesday 30 October 2013

Journal des débats (Hansard)

Mercredi 30 octobre 2013

Standing Committee on Estimates

Ministry of Health
and Long-Term Care

Comité permanent des budgets des dépenses

Ministère de la Santé
et des Soins de longue durée



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 30 October 2013

Mercredi 30 octobre 2013

The committee met at 1617 in room 151.

SUBCOMMITTEE REPORT

The Chair (Mr. Michael Prue): We'll call the meeting to order. We are here to resume the consideration of the estimates of the Ministry of Health and Long-Term Care. There is a total of three hours and 56 minutes remaining. When the committee was adjourned, the third party had seven minutes remaining in the rotation.

However, before we begin, I am going to suspend the review of the 2013-14 estimates of the ministry to take care of a small housekeeping matter, and that is the report of the subcommittee on the Standing Committee on Estimates.

Mr. Leone, I wonder if you can read the report, and then we'll have discussion.

Mr. Rob Leone: I will, Chair, because I do have some questions about this report as well.

Your subcommittee on committee business met on Tuesday, October 29, 2013, to consider the method of proceeding with the information received from the Ministry of Finance pursuant to the June 11, 2013, motion adopted in committee during the review of the 2013-14 estimates of the Ministry of Finance, and recommends the following:

(1) That the committee accepts the information received from the Ministry of Finance that are responsive to parts 1, 2 and 4 of the motion.

(2) That an electronic copy of the documents received be provided to each caucus and that the caucuses keep the documents confidential.

(3) That the Ministry of Finance be notified in advance should the committee decide to make the information public.

(4) That the subcommittee meet when the information responsive to part 3 of the motion is received by the committee.

I move that this report be adopted.

The Chair (Mr. Michael Prue): Okay, so we have a motion. Now, discussion: Mr. Leone?

Mr. Rob Leone: Thank you, Chair. My understanding of what we agreed to in subcommittee is that parts 1 and 4 follow a different protocol than part 2. As I understand it, the documents inside of the request responsive to part 2 of our request are already separated in redacted and unredacted form. It was my understanding that they would

be treated differently than the documents contained in parts 1 and 4, which are not currently separated and parsed out.

I would suggest that 2 and 3 apply to what we discussed in parts 1 and 4 of the motion, but do not apply to part 2 of that motion, in the sense that we aren't required to keep the redacted documents in part 2 confidential and that we are not required to notify the Ministry of Finance in advance should the committee decide to make the information public, because the documents contained in part 2 are already redacted and have been sifted through by the Ministry of Finance already.

My understanding coming out of subcommittee was that parts 1 and 4 follow the procedures that you have outlined in parts (2), (3) and (4) of the subcommittee report, but that the documents responsive to part 2 do not. I would seek amendment to this report to state that the documents responsive to part 2, the redacted portions of those documents, do not need to remain confidential.

The Chair (Mr. Michael Prue): Okay. So that would be an amendment to which clause? Number (1)?

Mr. Rob Leone: I would amend clause (1) to remove the number 2 out and add a fifth point: "that documents responsive to part 2 of the motion"—

The Chair (Mr. Michael Prue): "Which have been redacted may be released"—

Mr. Rob Leone: —"which have been redacted may be made public."

The Chair (Mr. Michael Prue): May be made public—

Mr. Rob Leone: Or "do not need to be confidential, because they're already redacted"—however you want to word that.

The Chair (Mr. Michael Prue): Okay. Have you got that wording? All right.

Does anybody need a copy of that?

Mr. Mike Colle: I think we should, just because it is technical and I just want to make sure.

The Chair (Mr. Michael Prue): Okay, then if we can take—

Mr. Mike Colle: Yes, I just wanted to comment—just if we could just get that and maybe have a little discussion about it amongst ourselves, the subcommittee, although Mr. Natyshak is not here. Just to have a little conversation about that, because I want to clarify that and make sure we're on—

Mr. Rob Leone: Do you want to recess so—

Mr. Mike Colle: Well, we can do it after—I don't want to delay this.

The Chair (Mr. Michael Prue): Well, no. I mean, we have to—this can be deferred if the committee agrees. We can defer it, let Ms. Gélinas finish, and then—

Mr. Rob Leone: I'm just wondering what you need to talk about.

Mr. Mike Colle: Just to clarify to make sure we're all onside with the change—

Mr. Rob Leone: Okay.

Mr. Mike Colle:—and that it's basically clear, as much as it can be, to our understanding, and to have the other members of the subcommittee just be in on it too.

So we are deferring it till tomorrow or the next day? It doesn't—

The Chair (Mr. Michael Prue): No. If this is deferred from today, it will take place—if it's recessed, it can come back later today, if you set a specific time. If you're deferring it to another day, then it will have to come next week.

Mr. Mike Colle: Next Tuesday, and we'll talk—

Mr. Rob Leone: Do you know, if we want to have a conversation, I'm happy to defer that.

Mr. Mike Colle: Yes.

Mr. Rob Leone: Just so, if everyone's clear, that would work.

Mr. Mike Colle: Deferred, subject to the subcommittee having a brief meeting.

The Chair (Mr. Michael Prue): Okay, all right. Fine, then this matter is deferred and can be brought back at the appropriate point next week, okay? The matter is deferred.

MINISTRY OF HEALTH AND LONG-TERM CARE

The Chair (Mr. Michael Prue): We go back to the original purpose of the meeting, which is to continue with the estimates. Ms. Gélinas, you have seven minutes.

M^{me} France Gélinas: Thank you. When we left off yesterday, Minister Matthews, you were telling me that the \$45 million that had been announced for Healthy Smiles—that you were still committed to this, and I'm glad to hear that. My follow-up question will be: Is there any intention of pooling some of that money together to have a more integrated system to cover dental care for people in need?

Hon. Deborah Matthews: The answer to that is yes. In fact, when we announced the expansion to dental care for low-income kids, we noted then that there were a number of programs—in fact, there are currently six different programs—that provide dental care to low-income children and that qualifications are different: if their parents are on social assistance; ODSP would be different than OW; CINOT; Healthy Smiles—six different programs. So we are actively exploring, and we're working with the ODA and public health to bring programs together. My goal is that children in low-income families—as many as we can possibly include—

would have access to preventive dental care and emergency dental care, if that's what they need.

M^{me} France Gélinas: So not the full dental service as in—I understand no crowns, but cavities and extractions—

Hon. Deborah Matthews: Oh, of course, yes. I don't think we'd be looking at orthodontics, I don't think we'd be looking at crowns, but kids need checkups and kids need preventive care, as well as care if they do develop problems. We're looking at how we can do that.

M^{me} France Gélinas: There's a group within your ministry that meets with ODA and public health. How is this work being done?

Hon. Deborah Matthews: We have been consulting actively with affected organizations.

M^{me} France Gélinas: Okay. Do you see a consensus developing soon?

Hon. Deborah Matthews: I'm hopeful, yes. I'm hopeful. I think dentists are committed to providing care. We do know there is a problem in some communities when dentists are not prepared to do their work at the rates we can pay. That is a problem, but I've even spoken to the ODA about taking the responsibility to provide dental care seriously to all people.

M^{me} France Gélinas: Was there ever any intention to regulate the fees that dentists can charge?

Hon. Deborah Matthews: No, we haven't looked at that, at least under my watch.

M^{me} France Gélinas: That's not something that your government is interested in?

Hon. Deborah Matthews: It's not something that I've considered so far. They are not government funded; right? We don't pay for dentists except in these limited programs. No, they set their own rates.

M^{me} France Gélinas: Okay. My next series of questions will have to do with hospitals—and I probably won't have enough with the few minutes. But I'll start with Health Sciences North/Horizon Santé-Nord in Sudbury. There are issues specific to, I would say, the six big hospitals in northern Ontario that are not common to the other urban hospitals, frankly because they're not in the north. And because of their geographical locations, they run into extra barriers.

If we talk about AMRIC, the Advanced Medical Research Institute of Canada, which is the research branch of Health Sciences North in Sudbury—I couldn't help but read in the paper today that you attended a \$50-million donation to big Toronto-based hospitals to help them do fantastic work and fantastic research, and I'm really happy for this very generous family to help us do this. This doesn't happen in northern Ontario. So when we look at what the opportunities are to do research that is specific to the people of the north through the research facilities that exist, the access to resources is the same, no matter where you are in Ontario, but by treating everybody the same, you put equity issues for the people of the north.

When you look at a pediatric centre of excellence, we don't have one in northern Ontario. We certainly would

want one. They exist in other parts of the province; they don't exist in the north.

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When we talk about PET scans—and everybody has heard me talk about PET scans—here, again, in the paper today, there will be another PET, this time a PET MRI, that will be bought for the people of southern Ontario, and northern Ontario is told, “You can't have one,” because there's no wait-list in southern Ontario. Southern Ontario has access to other ways of funding that big equipment that is not accessible to people in the north.

So I find that by having a one-size-fits-all for the entire province, what we're really doing is putting northern Ontario hospitals, the big ones—not the northern and rural—at a disadvantage. I am really interested. Do you and your ministry ever look at funding equity for northern Ontario hospitals, or big ones?

The Chair (Mr. Michael Prue): You only have about 30 seconds to answer it.

M^{me} France Gélinas: I will repeat the question when we come back. You have time to think.

Hon. Deborah Matthews: Perhaps we can do that, but I think creating the Northern Ontario School of Medicine was a very, very big step forward.

M^{me} France Gélinas: Yes.

Hon. Deborah Matthews: I think changing how we pay for physician recruitment very much favours the north. We've had 319 NRRR grants so physicians would settle in the north. So we are very much focused on expanding opportunities for health care professionals, including researchers, in the north.

M^{me} France Gélinas: Okay. I will continue—

The Chair (Mr. Michael Prue): Thank you. The rotation now goes to the government: Ms. Jaczek.

Ms. Helena Jaczek: Thank you, Chair. Perhaps I will just pick up on where my colleague was going a little bit, in terms of hospital infrastructure, because in your opening remarks, on page 18, you listed essentially the new hospitals, as I understand it.

Hon. Deborah Matthews: Yes.

Ms. Helena Jaczek: And I think there was a little confusion yesterday for some of us, because it was listed as “new or expanded hospitals.” Certainly, as I look at the list of the 17 that you have on the page, I really do see some distribution across the province in terms of the investments that are being made. I was a little startled because I didn't see Markham-Stouffville Hospital there, and its fabulous \$340-million or so investment, which was an expansion. And there was some comment yesterday by my colleague from Ajax-Pickering, similarly, that in his very high-growth area, that Rouge River hospital had seen some investment.

So could you maybe just flesh out a little bit more the type of capital infrastructure that we've invested in across the province.

Hon. Deborah Matthews: Absolutely. When I did read that list of 23 built or on the way to being built hospitals, I did say “new or expanded.”

There's a whole other list of 100 other hospitals with expansions. Markham-Stouffville is one of them, and I'm pleased to say that this project is the only ministry-funded capital project approved for Markham-Stouffville Hospital since it opened in March 1990. So it was a long time coming. I understand the four-story addition opened in March, and it will absolutely allow the hospital to meet the needs of that growing area. There's an expanded ER, improved and expanded ambulatory clinics, over 100 new beds, eight new operating rooms, an expanded diagnostic imaging centre, expanded mental health services. Markham-Stouffville is really working hard to improve patient care. They've cut cancer surgery wait times in half. They've cut hip replacement surgeries by over 200 days. They've taken almost a year off knee replacement surgery. So they're doing well, and I'd like to think in part due to our investment in the capital there.

In the riding of Ajax-Pickering, I was happy to be at that opening: an expanded ambulatory care unit; a new laboratory, triple the size of the previous laboratory; an expanded diagnostic imaging department; a new complex continuing care unit. So we are seeing great things happen at Rouge Valley. Cancer surgery wait times have been reduced by 70%; MRI wait times are half of what they were in 2005; CT wait times—again, almost half of what they were. Those I did not mention on the list, but they very much happened.

I was asked about Cambridge Memorial Hospital. This is a very exciting project: the redevelopment of up to 197 in-patient beds. That includes 52 new beds. There's both renovation and new construction on the current site. The new acute care wing, referred to as the west wing—the other west wing—will be built to include a surgical suite, a birthing suite, an emergency department, a medical-surgical unit, an intensive care unit—I'm sure the member from Cambridge wants to know this—a maternal newborn unit, a pediatric unit, a mental health unit, a laboratory, a central supply, a medical education campus and so on. Very important.

So there's a lot of work happening across the province in addition to the 23 brand new hospitals. I think it's fair to say that our investment in hospital infrastructure is unprecedented, and we are continuing to meet the needs of our growing population.

Ms. Helena Jaczek: Thank you very much. I think what you've shown is that obviously there are needs—certainly in my community there was a pent-up need, given the population explosion in York region, for that expansion, and it's occurred. I'm sure that within the ministry there is some way of priority-setting in terms of what should come forward over time. Maybe you could just elaborate in terms of how you plan for this type of infrastructure in the future.

Hon. Deborah Matthews: Absolutely. We have made tremendous progress, but there still, without question, is need in various communities across the province. We work on an ongoing basis to plan for where that infrastructure investment has to be made. We do have a five-year plan that we have announced and that we're rolling out, and we will renew that as circumstances permit.

These are difficult times fiscally; we acknowledge that. But we also acknowledge that we have to continue to make investments in communities so that the infrastructure is appropriate for our residents.

Maybe the deputy would like to speak a bit more about how we make determinations on capital projects.

Mr. Saïd Rafi: Sure. On redevelopments or rehabilitation, the ministry has invested in what's called a hospital condition index, not dissimilar to what might be used on roadways. That would give us an understanding of every hospital. It has taken a few years to develop. That way, you can keep current on the physical plant of the hospital, instead of waiting for something to wear out and break down, which then, of course, as we all know, costs more to fix than to try to do preventive maintenance. That also helps us to determine what would be appropriate with respect to staging those projects.

With respect to large redevelopments, that's a function of looking at population growth, densities and the needs in that community. We work with other ministries who provide input into that, and that will give us—based also on hospitals' interest and applications. There's a several-step planning process, so a planning grant would be provided, as you know, to first scope out the 30-year needs of the project, and then a second-stage grant is provided to narrow down what would be, within that, a 10-year need. Then there's a threshold—and I believe it's usually \$100 million or more for the project costs. It would then be considered as an alternative financing and procurement project, and there are various elements of that as well.

Ms. Helena Jaczek: Thank you. I think, as we hear a lot about transformation, there's potentially the fear that if we're just sort of shifting to the community, in some way we're neglecting the acute care. I think what you've made clear is that you're very cognizant of the need for those acute care investments. This is, I think, basically what we're hearing from you.

Hon. Deborah Matthews: Absolutely, but we do want people who don't need to be in a hospital to get the care they need outside of hospitals. There will always be a role for our acute care hospitals, but we've got to make sure that if somebody doesn't need to be there, we have another place where they can receive the care they need.

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Ms. Helena Jaczek: Right. So, yesterday we had got to the point of the increased funding for home and community care. Minister, you made the commitment that in fact this year, the increase is some 6%. I guess it would be interesting, again, perhaps from the high-growth areas of the province, to understand how that money will be rolled out related to possibly the community need. Historically, there has been a tendency to always just put a percentage on an existing base and that base may not in fact be adequate, or it might even be overly sufficient. So could you again sort of allude to how funding is being rolled out as it relates to the need for community care?

Hon. Deborah Matthews: Absolutely. That 6% works out to \$260 million; \$185 million of that is expected to be

allocated for home care. We have been prescriptive in what outcomes we're looking for. We do want to see continued reduction in ALC rates. We want to see shorter wait times. So about \$110 million of that \$185 million is dedicated to meeting growth in home care and growth in service demand; \$60 million is allocated to working toward a five-day target for complex clients requiring PSW service; \$15 million to achieve a five-day wait for nursing services in all LHINs; and \$75 million in community supports.

The \$75 million in community supports is determined by the LHINs, where they look at what the needs are in their community that will help keep people at home. I think they're doing an excellent job in determining what the needs are within their LHIN. It might be day programs for people with dementia. That would give caregivers a break and improve the quality of life for the people with dementia. It might be foot care clinics for people with diabetes. We have a range of programs and services that are offered in the community. The LHINs go through a transparent process of how they achieve on those. So this was 4% last year and 6% this year. Those are base increases, so they're able to build on it.

The issue that you've raised is, we have parts of the province that are growing very rapidly; other parts of the province are not growing rapidly and some are not even growing at all. So the old way of just allocating a percentage of increase for every region, assuming everybody is growing at the same rate, simply does not reflect our reality. You heard yesterday, or whenever we were here last, about HBAM being applied to hospitals, where the demographics of the community, including the health of the community, create guidance for us on how to fund. So just as in hospitals, we're moving to HBAM in the community sector. We are looking to reflect the needs of those various different populations.

Do you have anything you wanted to add to that?

Mr. Saïd Rafi: No, that's good.

Ms. Helena Jaczek: So the LHIN is doing the local planning based, as you say, on needs. Are they informed by any particular data that they collect? Are they using waiting lists? How are they putting that package together?

Hon. Deborah Matthews: Yes. I think MPPs are well-served by actually having a good, strong relationship with their LHINs, because each LHIN is different. They make decisions based on what's going to have the biggest impact in their community on metrics that are understood to be important. ALC is a metric that we often go to, because caring for someone in a hospital is a lot more expensive than caring for them in the community, but you have to be able to shift funds to the community sector to do that. So, yes, we expect to see those ALC rates down. We look at 30-day hospital readmission rates. There are a number of factors. Maybe the deputy can add to that.

Mr. Saïd Rafi: If you want, yes. In addition, CCACs have developed a client care model. Whether that assessment is in hospital or in the community, they would rely

on the needs assessment of that individual, based on a physician's and, as well, the case manager's assessment. They also deploy something called a RAI score, which is an international tool. I'm blanking on that acronym; I think it's a resident assessment indicator. The "I" could be incorrect. But that has been recognized internationally as a consistent tool, and we also use it for long-term-care admittance. At the public accounts committee, we talked a bit about that—prior to admission, in a certain sequence of timing or as needed. That gives a good clinical and standardized classification for three types of client groups who might be considered long-stay needs in their community: Either they are complex, chronic or community independent. Then there are also the short-stay clients—that would be short-stay, but with acute needs. So there is a fairly—not fairly; it is a standardized classification tool.

Ms. Helena Jaczek: Okay. Well, that's helpful. So we're hearing this theme of using evidence and using metrics to make these decisions.

Hon. Deborah Matthews: Absolutely.

Ms. Helena Jaczek: That's what's driving the transformation.

Perhaps we could talk a little bit more about the transformation. I guess one of the questions one has to ask is, what convinced the ministry that there was this need for transformation, essentially? I mean, this is a massive exercise, so it would be really helpful to understand what was, in essence, going wrong. Why undertake this really massive exercise?

Hon. Deborah Matthews: Let me speak from my perspective. I am a demographer by training, so when I was appointed health minister, I really wanted to understand—to quantify—the impact of our aging population on our health care costs.

So we did a little exercise where we actually took—I think that was the foundation of a slide that was in the package we went through. I just wanted to know: If we had the population of 2030 today, what would our health care costs look like? That was, I think, a stunning, eye-opening exercise for everybody, because, you see, if we just did exactly the same but had a different population to care for, we would have to increase our budget by 50%. That, really, for me, convinced me that we had to deliver care differently.

I looked at international comparisons on what we spend per capita here, and next to the United States—they're always an outlier when it comes to health, so take that out and we are one of the very highest, if not the highest spender on health care, yet our outcomes were not what they ought to be.

I learned more about ALC. I actually invited Camille Orridge, who at that time was the CEO of the Toronto Central CCAC; she's now CEO of the Toronto Central LHIN. I said, "Help me understand this ALC issue. It's not the best care, and it's the most expensive care. What's going on here?" I remember very clearly that she had done an analysis of who those ALC patients were, and she knew what we had to do to get people—particularly those who had been ALC for a long period of time. We

just simply needed to create the capacity for those people outside of hospital, and I think we've done a really good job doing that. We've now got people who are ventilator-dependent out of hospital and into community settings. You can't put a price tag on that improvement in quality of care, and it's less expensive care.

It was pretty clear that the issue was not that there's not enough money; it was that we're spending money in the wrong places. So if we actually want to pass on universal health care to the next generation, we cannot continue to do what we've always done. We must transform, and we are demonstrating that we can improve quality and get better value for money at the same time. The two go hand in hand.

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Ms. Helena Jaczek: So it really was the sort of a fiscal imperative to ensure that we had sustainability of what is, after all, such a highly valued—public health care is sort of synonymous with Canada, really.

Hon. Deborah Matthews: Yes. I look at the people, the politicians, the political leaders, who gave us universal health care. That was an extraordinary gift that was given to our generation, and our generation's job is to be able to make the changes that we need to make to be able to pass that on to subsequent generations. I never want to be seen as the minister who didn't make the changes necessary that resulted in two-tier health care.

Ms. Helena Jaczek: You mentioned looking at international—

The Chair (Mr. Michael Prue): You've got less than 30 seconds.

Ms. Helena Jaczek: Maybe then I'll just add it on to the next—

The Chair (Mr. Michael Prue): All right. Okay. Well, then, I thank you.

The next 20-minute rotation goes to the Conservatives.

Mr. Rob Leone: Mr. Chair, I'd like to move a motion.

The Chair (Mr. Michael Prue): Okay. Then, if you're moving a motion, we will suspend the time. So we'll start in with the motion.

Mr. Rob Leone: All right, Mr. Chair. I move that the Ministry of Health and Long-Term Care release all documents and correspondence, electronic or otherwise, pertaining to the financial information and operational guidelines of all the community care access centres located throughout the province of Ontario presented to the Minister of Health and Long-Term Care, the Ministry of Health and Long-Term Care, all of the local health integration networks located within the province of Ontario, and all of the community care access centres located within the province of Ontario, from April 1, 2012, to October 28, 2013, to the Standing Committee on Estimates, unredacted, by 12 p.m. on the day which falls exactly four weeks after this motion is passed.

These should include, but not be limited to:

—the salary structure and budgets for all community care access centres in the province of Ontario;

—the overhead costs and projections for all community care access centres in the province of Ontario;

—financial statements, financial assessments, expense statements and treasury reports and all internal and external financial audits.

The Chair (Mr. Michael Prue): We have a motion. I'm going to recognize Mr. Leone to explain his motion, and then I will recognize Ms. Jaczek and then Ms. Mangat in that order.

Mr. Leone, to explain your motion.

Mr. Rob Leone: Yes, Chair. We know that the province of Ontario has community care access centres scattered throughout the province. We don't know a whole lot about them, and in order for us to consider the estimates of the Ministry of Health and Long-Term Care, we need further details on their operations.

The reason why we're asking for these documents is related to the fact that we need further detail on these matters. Obviously, that's why we're asking and requesting information with respect to this.

The Chair (Mr. Michael Prue): Further debate? Ms. Jaczek.

Ms. Helena Jaczek: Well, I'm finding this quite an extensive amount of information: "all documents and correspondence, electronic or otherwise, pertaining to the financial information and operational guidelines of all the"—well, there are 14, as we know—"community care access centres located throughout the province of Ontario" for some 18 months.

I guess I'm sort of puzzled why you would want "all documents and correspondence." It sounds very, very broad. What exactly would you be looking for here? I mean, salary structure—obviously, these are individuals paid through Ministry of Health finances. They are on the sunshine list. I just can't quite understand the breadth of what you're requesting.

Is there some particular goal that you have in mind that you can explain to us, why you feel this is so necessary at this time? It just seems like a giant exercise, very onerous on the various participants, and without any clear understanding of what you're getting at.

Mr. Rob Leone: May I respond, Mr. Chair?

The Chair (Mr. Michael Prue): Back to Mr. Leone. It was a question of you.

Mr. Rob Leone: I want to preface my remarks by taking the words from the Premier of the province of Ontario, who, in her words, is trying to usher in a new era of transparency and open government. We have legitimate questions with respect to our community care access centres, and we need details before we can ask those questions, and concerns that we may have with respect to them and their operation.

I know in my community of Cambridge in the Waterloo region, the Waterloo Wellington Community Care Access Centre has experienced a little bit of trouble, where a provincially appointed supervisor was called in. The question then becomes, are there issues that we need to know about and to deal with, not just in my community, but in other community care access centres right across the province of Ontario.

These are issues that I think are pertinent. They're important to the people of Ontario. They have legitimate

questions about the quality of care they're receiving in the community and in their home care. I know it's the stated position of the government to create further investments in these areas, and we certainly want to make sure that we're doing our due diligence in trying to uncover some answers for them.

The Chair (Mr. Michael Prue): Back to Ms. Jaczek.

Ms. Helena Jaczek: I guess I'm also a little bit puzzled by the dates in your motion, April 1, 2012, to October 28, 2013. That would be referring to last year's fiscal numbers. Are we not here in estimates to be discussing this year?

The Chair (Mr. Michael Prue): I will leave it to Mr. Leone to explain why he wants those dates, but it is common practice within this committee to allow the members to go back one fiscal year in order to see what was happening last year or the year before and what is happening in the estimates we have. It is very uncommon and never done to go back further than that. But I don't know why he's chosen this particular date. That would—

Mr. Rob Leone: That is the reason, Chair.

The Chair (Mr. Michael Prue): That's the reason.

Ms. Helena Jaczek: Well, I think we would request a recess.

The Chair (Mr. Michael Prue): Well, first of all, I have other speakers. Is this a recess before we vote or is this just a recess? I'll get back to you as soon I canvass the—

Ms. Helena Jaczek: Sorry, I didn't see the other hands.

The Chair (Mr. Michael Prue): Okay. Ms. Mangat.

Mrs. Amrit Mangat: No, I'm fine.

The Chair (Mr. Michael Prue): You're fine? Okay. Are there other speakers? And then we'll entertain the motion. Is the recess before we vote? Is that what it is?

Ms. Helena Jaczek: Yes.

The Chair (Mr. Michael Prue): All right. And how long are you seeking?

Ms. Helena Jaczek: I think we'll need 20 minutes.

The Chair (Mr. Michael Prue): All right. That's in order. Anyone, at any point prior to a vote, can ask for a 20-minute recess. We stand recessed until—I might as well say 20 after 5. That's 21 minutes, actually, but I just want to give a good, clean number: 20 after 5 for the vote. We stand recessed.

The committee recessed from 1700 to 1720.

The Chair (Mr. Michael Prue): All members being present, we will resume. Before we resume to the vote, it was noticed during the recess that a word has been omitted in the written portion. In consulting Mr. Leone, he did state to me—and perhaps he will state that for the record—that the word "day" has been inserted on the penultimate line of the first paragraph, so that it does in fact read "by 12 p.m. on the day which follows exactly four weeks after this motion is passed."

Mr. Leone, you're an honourable member. Did you make that statement on the record?

Mr. Rob Leone: Mr. Chair, yes, I did. I had written it in my version, and I apologize that that version was not

updated with my comments. But it was written in my version and I did indeed say the word “day” in the motion when I read it in.

The Chair (Mr. Michael Prue): Okay. Then all members have the motion before you—

Mr. Mike Colle: Point of order.

The Chair (Mr. Michael Prue): Point of order, Mr. Colle.

Mr. Mike Colle: Mr. Chair, given the substantive nature of this motion that calls upon the release of all documents, financial information, operational guidelines of all the community care access centres across the province, and the complexity of this request—I’m just wondering as a member how feasible this is in the time frame, and to be voting at this—

The Chair (Mr. Michael Prue): No, no. I’m going to have to—

Mr. Mike Colle: I wonder if I could move a deferral.

The Chair (Mr. Michael Prue): No, no. I was very clear when I asked Ms. Jaczek whether she was seeking the 20-minute recess prior to the vote, and she said yes, and so the only thing that can transpire under the rules of this House and of the committee is the vote itself.

The question you are asking is not an illogical one, but it needed to have been asked before the 20-minute recess was requested. I asked repeatedly if there were other speakers, and there were none.

Mr. Mike Colle: Therefore, it is not possible to ask whether or not this motion is in order, given the fact we haven’t really had an opportunity to examine its impact and what we’re voting for, given the scope and the enormous scale of this request—whether we’re voting for something that’s doable even?

The Chair (Mr. Michael Prue): Well, I have read the motion. I am satisfied that it is in order. I have consulted with the Clerk. He is of the same view, that it is in order. There was no debate, there were no amendments; there was simply a request for a 20-minute recess. It was granted for the purpose of a recess prior to the vote, in accordance with the standing rules, and the only thing we can do now is vote.

Mr. Mike Colle: Can I ask for another recess, a 20-minute recess?

The Chair (Mr. Michael Prue): You cannot.

Mr. Mike Colle: Why not?

The Chair (Mr. Michael Prue): Because the order says that you’re entitled to one request for one recess prior to the vote, not multiple ones. The 20 minutes were granted because it is in accordance with the rules, and it is a right, but having taken that right, you do not have a second right.

Mr. Mike Colle: So I can only ask for one recess?

The Chair (Mr. Michael Prue): A member may ask for one recess on behalf of the committee, that’s all, and it was granted.

Mr. Steve Clark: Chair, we have the minister here. Let’s call the question and get on with this.

The Chair (Mr. Michael Prue): Just bear with me.

I am now going to call the question. All those in favour of the motion, including the word “day” in it, please—

Mr. Mike Colle: Can we see a written copy of that amended motion?

The Chair (Mr. Michael Prue): You all have a copy.

Mr. Mike Colle: But supposedly the motion was changed, Mr. Chair.

The Chair (Mr. Michael Prue): The word “day” was inadvertently left out, and I have said where the word is. He is an honourable member. He says it’s part of the record.

Mr. Mike Colle: But it’s not before me.

The Chair (Mr. Michael Prue): I am proceeding to the vote. These questions you are asking should have been asked prior to the request for a recess. I’m sorry, but those are the rules of the House. I can’t do anything except enforce the rules that are put upon the committee and me as Chair.

Mr. Mike Colle: The amended motion—we’re to go on hearsay that—

The Chair (Mr. Michael Prue): It is not amended. There was one word left out of the written portion but was included in the transcript, and you will find it in Hansard. He has explained that, and it was part of the record.

Mr. Mike Colle: And in that 20-minute recess, we couldn’t get a copy of that change?

The Chair (Mr. Michael Prue): I am not here to debate with you, Mr. Colle. The 20-minute recess was requested for the purpose of caucusing in order that the caucus might know how to vote. That’s all that was requested. It was granted. I must proceed to the vote. Those are the rules of the committee and of the House.

Mr. Steve Clark: Recorded vote, chair.

The Chair (Mr. Michael Prue): I have a request for a recorded vote.

Ayes

Clark, Crack, Dickson, Gélinas, Jaczek, Leone, Nicholls.

The Chair (Mr. Michael Prue): All those opposed? The motion carries.

We will now return to the estimates. The floor belongs to the Conservatives. You have, I think, 19 minutes and 45 seconds. It took 15 seconds to get that portion out.

Mr. Rob Leone: Thank you, Mr. Chair, and thank you, Minister, for returning to estimates to discuss some items of importance.

I want to ask some questions with regard to the Healthy Kids Panel report. Certainly there have been some questions—I know the Ontario Convenience Stores Association is here at the Legislature today, which has some positive things to say about the Healthy Kids Panel report and some negative things to say about the panel report. But just before I start, is this among the 36 panels or is this panel number 37 with regard to the government

instituting their consultation process? What number is this? Is this—

Hon. Deborah Matthews: I'm not keeping track of the numbers of panels, but I can tell you that consulting widely is, I think, the right thing to do.

Mr. Rob Leone: Okay. On saying that, I have a number of questions that I want to raise with you today. I have a copy of a letter—and after I read it, if you want to take a look at it, I'm happy to provide it to you. It was written by Kate Manson-Smith—I didn't see her on the list of folks who are here. She's the assistant deputy minister, health promotion division.

Hon. Deborah Matthews: Yes.

Mr. Rob Leone: The letter states—it's a consultation letter asking for requests for folks to come in, groups to come in to talk about the Healthy Kids Panel report. It says, for example, "The group is"—

Mr. Mike Colle: Point of order, Mr. Chair.

The Chair (Mr. Michael Prue): Point of order, Mr. Colle.

Mr. Mike Colle: Could we see a copy of the letter that the member's referring to?

Mr. Rob Leone: I don't have copies, but if copies are requested, then—

The Chair (Mr. Michael Prue): You will make copies available?

Mr. Rob Leone: Do you want me to make copies available?

Mr. Mike Colle: Is the letter to the minister?

The Chair (Mr. Michael Prue): We can make them if you're—are you quoting from the letter or is this just general—

Mr. Rob Leone: I'm asking some questions about the letter.

The Chair (Mr. Michael Prue): You're asking a question without a letter?

Mr. Rob Leone: Questions about the letter and the contents thereof.

The Chair (Mr. Michael Prue): Okay. You have a copy of that letter that you're reading.

Mr. Rob Leone: I do.

The Chair (Mr. Michael Prue): Okay. I wonder, then—I think the members would be entitled; Mr. Colle is correct. We will take a five-minute recess in order to have those copies made available to all members.

We stand recessed for five minutes.

The committee recessed from 1726 to 1733.

The Chair (Mr. Michael Prue): Everyone now has a copy. Just for the record, so that there's no confusion at the end, you have about 18 minutes left.

Mr. Rob Leone: Great. Let's get to some questions today, Mr. Chair.

Minister, I'm happy that everyone now has a copy of the letter. I want to suggest—I'm on the third paragraph, now that everyone can read: "This group is responsible for moving the agenda of the Healthy Kids"—

Hon. Deborah Matthews: I'm sorry. I didn't hear you. Could you just start over again? You're reading from paragraph—

Mr. Rob Leone: Sorry—three. But now as I'm counting, it's actually paragraph 4.

Hon. Deborah Matthews: Okay.

Mr. Rob Leone: In the last sentence, it says: "This group is responsible for moving the agenda of the Healthy Kids Panel report forward with support across government."

From that, I get the impression that the government is wholeheartedly moving forward with the agenda that has been expressed in the lengthy report. The report is 64 pages long. Moving forward with supports from across government: Is that the intention of the government, to move ahead with the recommendations of this report?

Hon. Deborah Matthews: We are definitely examining all of the recommendations. There are some that we've announced that we are moving forward with. Support for moms who want to breastfeed their babies is one of the areas. Expanding student nutrition programs so kids in schools get healthy snacks or healthy breakfasts—we know that they learn better and they're healthier when they've had that healthy food. We have committed to listing calories on menus and menu boards. I think this consultation is about that, in addition to the marketing of unhealthy food aimed at kids.

So yes, we are moving forward on some of the recommendations. We've already indicated our intention. Others, we're considering.

Mr. Rob Leone: If you go to the second page, there's another asterisk beside a list of things that this consultation session is going to focus on. I'm going to read them into the record:

"—guiding principles for an approach to limit the marketing of unhealthy food and beverages to children;

"—defining unhealthy food and beverages;

"—working together to strengthen current efforts to limit the marketing of unhealthy food and beverages to children;

"—further actions that could be taken by government to limit marketing to children including point-of-sale; and

"—insights on a monitoring and evaluation system."

So, Minister, does that suggest that the government is going to promote the limiting of marketing of unhealthy foods to kids?

Hon. Deborah Matthews: We are currently consulting on that. We were very clear that we are moving forward with including calories on menus and menu boards, and we want to explore the idea of limiting the advertising of unhealthy foods to children.

Some 80% of advertising aimed at children is for unhealthy foods. If anybody just wants to turn on the cartoons on Saturday morning, they will see the advertising aimed at children. That's troubling for me. I'll be honest with you: Advertising aimed at children is troubling for me, so we are consulting on what steps we might take to limit the advertising of unhealthy food to children.

Mr. Rob Leone: How would you define point-of-sale advertising?

Hon. Deborah Matthews: Point-of-sale advertising is, for example, the checkout counter at a grocery store.

There might be special advertising and promotions there. That's what point-of-sale advertising is.

Mr. Rob Leone: You know, Minister, I go to the grocery store, like a lot of people who shop and do their groceries. You're at the checkout line and you have those candies and gums etc., which I would probably consider not-so-healthy food. Is this part of point-of-sale advertising, in your view?

Hon. Deborah Matthews: Yes, it is.

Mr. Rob Leone: So having it easily accessible to the fingers of your kids in the shopping cart would be part of what you're suggesting needs to be altered.

Hon. Deborah Matthews: That's what we are consulting on. In some grocery stores, there's a pop machine right at the checkout. You have children, I believe.

Mr. Rob Leone: I do have children, three boys under six.

Hon. Deborah Matthews: So you do grocery shop with your children.

Mr. Rob Leone: Oh, I do.

Hon. Deborah Matthews: Three boys under six?

Mr. Rob Leone: That's right.

Hon. Deborah Matthews: So you probably have experienced this yourself, where kids have been exposed to advertising. They have a burning desire for their parents to purchase a product, and—

Mr. Rob Leone: Actually, I haven't had that experience.

Hon. Deborah Matthews: You haven't? Well, that's wonderful.

Mr. Rob Leone: My oldest child doesn't actually like chocolate. I don't understand this, but he doesn't really get it.

Mr. Steve Clark: He needs to spend a week with the Chair.

Mr. Rob Leone: Exactly. He's not going to raid your candy box there, Chair.

But some of the things I think a lot of people have some concerns about, certainly on the business side of things, the way that "unhealthy foods" are packaged might be considered advertising to the unscrupulous bureaucrat or minister who likes to impose some rules on that. I'm wondering, to what extent is the government going to regulate the kinds of packaging that are going to be had with these items that are closely accessible to kids when you're checking out at the grocery store?

Hon. Deborah Matthews: Here, I think, is the important thing. We released our action plan on how we are going to have a health care system that meets the needs of future populations. The first pillar of that action plan is about keeping Ontarians healthy. If you look at children, and how healthy children are today, the evidence is as clear as can be that kids today are not nearly as healthy as kids of a couple of decades ago. We're seeing child obesity rates grow at an astounding rate, and you'll see in the panel report that they actually quantify the increase in childhood obesity. So we can choose to do nothing about that, or we can choose to take action, to give parents the support they need to make healthy choices for kids.

The panel report was very clear in their perspective: They're coming at this from how we can help parents make the choices they want to make. Parents want their kids to be healthy, and our society is making it kind of difficult for that, so marketing to children is one thing that we're looking at. Listing calories—we've already decided that's the right thing to do. Marketing to children is something we're consulting on. You might think it's not a good idea to consult; we think it's a good idea so that we can hear the perspectives of various people who have thoughts on this.

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Mr. Rob Leone: Minister, what other places in the world have you looked at that are restricting the way foods and beverages like those you are targeting—and the marketing of those foods and beverages in retail stores. Can you name any jurisdictions outside of Ontario that have gone down this path and what the outcome of that was?

Hon. Deborah Matthews: The Healthy Kids Panel report did look at jurisdictions in developed countries around the world. They did take advantage of research that had been done in other jurisdictions, and this is the recommendation based on the evidence. I think a thorough read of the report would actually point you in the direction of the evidence.

Mr. Rob Leone: Well, I have the report right here. Any Canadian studies that you're aware of that found that restricting the point-of-sale advertising actually reduces childhood obesity? Are there any studies that you could point to that point to the restriction of point-of-sale advertising to the reduction of childhood obesity? Or could you share some?

Mr. Saād Rafi: I don't have that off the top of my head, but I just wanted to clarify, or expand, on one point on point of sale. Part of the consultations will actually examine various institutions' interpretations of that. So, let's say, convenience stores versus larger grocery stores may have different definitions of "point of sale," in some cases. I think this comes at the impetus of the co-chair of the Healthy Kids Panel, Kelly Murumets. So that is part of the consultation.

As for the Canadian jurisdictions, we'd have to get back to you on that.

Hon. Deborah Matthews: You'd be interested to know, too, that the Healthy Kids Panel report—and you'll see the members represented a very broad spectrum of opinion. The panel had some very interesting discussions. Through those discussions, they made a decision early on that they would not include a recommendation that didn't have the unanimous support of those members. So if you look down the list of the members, they all agreed that restricting marketing to children was a good thing to do.

Mr. Rob Leone: I did look at the people who are on the panel. I noticed that 10 representatives were from industry and 17 were from the broader health care community. I think there's a concern—I know the convenience stores' association brought concerns about jobs. I

haven't heard from the—this isn't my portfolio, so I don't have constant contact with stakeholders in this area, but I would assume that makers of what might be broadly defined as "unhealthy food" would be concerned about banning point-of-sale advertising, or any restrictions on point-of-sale advertising, or any advertising to young people, having an effect on jobs. Given the two-to-one skew, according to the numbers—I was looking through the list—does that mean that this is going to have a negative impact on jobs?

Another component to this is that there's an economic question that's involved with this. How do you rationalize the composition of this panel to having an over-weighting of health care community representatives versus industry representatives, and how does that affect the definition of what constitutes an unhealthy food or not? Whose definition are we going to be using?

Hon. Deborah Matthews: I believe there were 18 members of the panel, so—

Mr. Rob Leone: I might be wrong in my numbers, but I thought it was—

Hon. Deborah Matthews: Yes, I think there were 18 members of the panel, and it was a broad cross-section. I said that they did not move forward on a recommendation unless there was unanimous agreement by the committee that it was the right thing to do. I'm not going to make any apologies for having health people there, because this is about health.

Mr. Rob Leone: I agree. I don't disagree with having health people there. I hope I'm not misconstrued in saying that.

Hon. Deborah Matthews: There are real costs to having unhealthy kids. There are real costs to those kids, and there are real costs to the system. We know that childhood obesity is a very clear predictor of diabetes, of heart disease, of other illnesses. We want our kids as healthy as possible, so we are consulting on that recommendation because we want to hear the voices of people who might not think it's a good idea. So we are consulting on that.

Mr. Rob Leone: How much time do I have, Chair?

The Chair (Mr. Michael Prue): Approximately five and a half minutes.

Mr. Rob Leone: Okay. There are two recommendations—I know that the convenience stores' association—

The Chair (Mr. Michael Prue): I have a point of order. Mr. Dickson.

Mr. Joe Dickson: I apologize to Mr. Leone. I just want to clarify something in my head because the conversation is going back and forth and it appears to have a different connotation from one question to another. I want to just assure myself through you, Mr. Chair, that what the minister is referencing and what staff are referencing and what all of us around this table are talking to is not yet approved, but things such as—the minister clearly indicated there has not been a recommendation as yet. It's almost as if it's open for ongoing consideration.

A couple of the quotes I jotted down were that the ministry is "looking at"—and I just want to make sure that—

Mr. Rob Leone: Chair, I'm not sure what the point of order is.

Mr. Joe Dickson: Am I on the right track? There is nothing—

The Chair (Mr. Michael Prue): Yes, you are on the right track. I don't want to take Mr. Leone's time away, but—

Mr. Rob Leone: Well, now I'm at four and a half minutes, I bet.

The Chair (Mr. Michael Prue): I know, I know, but he has the right to ask the question. The minister has been very clear that this is a discussion proposal, that it's under active discussion, and Mr. Leone, I think, understands that.

Back to Mr. Leone.

Mr. Rob Leone: I hope I get the time back, Chair, because I'm not sure that was even a point of order. I'm not sure what standing order was referenced in there, but anyway—

Mr. Mike Colle: Well, I think—Mr. Chair.

Mr. Rob Leone: It's my time.

The Chair (Mr. Michael Prue): Is it a real point of order?

Mr. Mike Colle: Point of order.

The Chair (Mr. Michael Prue): Okay, then what is it?

Mr. Rob Leone: It's my time here.

The Chair (Mr. Michael Prue): Your point of order is?

Mr. Mike Colle: My point of order is that I think any member has the right to ask a point of order for clarification—

Mr. Rob Leone: If it's a point of order.

Mr. Mike Colle: —and not to be interrupted when they're—

The Chair (Mr. Michael Prue): Yes, he has the right to ask that question.

Mr. Mike Colle: That's all.

The Chair (Mr. Michael Prue): He was not making a point of order, though. He was seeking some clarification. The clarification has been made, and your point of order is not well taken.

Back to Mr. Leone.

Mr. Rob Leone: Recommendation 2.2 of the panel suggests that the ban of "point-of-sale promotions and displays of high-calorie, low-nutrient foods and beverages in retail settings, beginning with sugar-sweetened beverages"—again, a ban of point-of-sale promotions and displays. And 2.1 says, "Ban the marketing of high-calorie, low-nutrient foods, beverages and snacks to children under age 12." Those are actually the recommendations of the report. I'm wondering if the government is planning on proceeding with those recommendations.

Hon. Deborah Matthews: I think I've been really clear about that. What we are doing is consulting on that particular recommendation, so we—

Mr. Rob Leone: What's your opinion on the recommendation? I mean, to ban point-of-sale promotions, to "ban the marketing of high-calorie, low-nutrient foods, beverages and snacks to children under age 12." We're talking about an outright banning of—that's what the recommendation is. What's your—

Hon. Deborah Matthews: The recommendation is about the sale of those products, but banning the marketing of those products.

Mr. Rob Leone: Correct.

Hon. Deborah Matthews: I think it is definitely an undertaking worth consulting on. I am very interested to learn the results of the consultation. We're listening to the convenience store owners; we're listening to the health experts. Most importantly, we're listening to parents who are telling us that it's tough to get out of a grocery store without either having a tantrum or buying something that you maybe didn't go into the store wanting to buy.

Mr. Rob Leone: They need kids who don't like chocolate; it's an easy way to get out of that grocery store in a very timely way.

Hon. Deborah Matthews: Well, not all of us have children who don't like chocolate.

Mr. Rob Leone: But, Minister, I think there's a serious concern here about the effect that such a ban would have. I don't know if a lot of people would consider the packaging of candy or chocolate bars—I know the Chair has brought some today to the committee, not with the understanding that I was going to ask questions on this, but I don't know if a lot of people would view that as sale and promotional marketing.

There's some concern that this is going to introduce a whole new regulatory framework, that we're going to institute junk food cops, not only in our schools, but also in our grocery stores and our convenience stores, and that would have a negative effect on how businesses operate. We're actually going to be specifying what they can sell and where they can sell it. You know, even though no one likes to talk about a slippery slope argument, there is one that does apply to this. Where does it stop and where does it start? These are serious concerns.

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I appreciate the fact that we want to make sure our kids are healthy—I want my kids to be healthy too—but at what point does the government have to regulate this, and at what point do parents have to take personal responsibility for ensuring that their kids are healthy? It seems that, by this kind of the language, the government is going down the road of saying that the government is going to regulate, and I think parents should have an opportunity and a right to be educated. There's lots of stuff in the report that actually talks about that, and I appreciate that, but the government going down this road might be a slippery slope. What do you say to industry and businesses—small businesses, large businesses and medium-sized businesses—that are going to be severely affected by a new regulatory regime and junk food cops in their stores?

Hon. Deborah Matthews: I think you're kind of taking this into somewhere where it isn't. What we are

doing is consulting. I hear, loud and clear, that you think it's a bad idea. I will consider that as part of the consultation—

Mr. Rob Leone: I never said that. I said that I respect the fact that we want to make sure that our kids need to be healthy. That's what I said.

The Chair (Mr. Michael Prue): I'm going to have to stop it there. The time has expired.

The floor now goes to Madame Gélinas. There are approximately nine minutes. We will be stopping precisely at 6, and you would be the first person on the next occasion, but right now, you have nine minutes.

M^{me} France Gélinas: Thank you. I had sort of laid the ground for my next series of questions regarding hospitals, starting with Health Sciences North/Horizon Santé-Nord, in Sudbury, and, basically, Health Sciences North is looking at doing research like other teaching hospitals in southern Ontario. To do research, they understand they need to compete and show that they are able to do this to get this particular research project, but to set up the infrastructure that allows them to do research, they are late in the game. Northern Ontario has just started to do research in their hospitals, versus hospitals in southern Ontario that are well established, that have some capital asset to be able to work from.

So the question is, really, will you be willing to consider some means to make it easier for a hospital in northern Ontario interested in translational research to be able to get started?

Hon. Deborah Matthews: I can tell you that we would look very carefully at any proposal that came in from Health Sciences North, and I do believe we might have a meeting already in the works. We'd be very happy—I think the health challenges in the north are significantly different from the health challenges in the south. It's a different geography, a different environment, a different population, a different set of health challenges, so I think it's important that we have research that focuses on the north.

I don't know exactly what Health Sciences North is looking for, but I can tell you that it's important to me that we have research that reflects Ontario, and that definitely includes northern Ontario. So I look forward to hearing what a proposal from Health Sciences North might look like.

M^{me} France Gélinas: Thank you. When I did my opener, I ended up with PET scanning technology. You know very well that northeastern Ontario is the only area of the province that does not have access to this technology. When you changed the rules so that PET scans would be covered by OHIP, there were six PET scanners in Ontario: They were in Ottawa, London, Thunder Bay, Toronto and Hamilton. Since then, the inventory of PET scanners has grown. We started with six when you made the announcement; we now have 12, soon to be 13 when the new one, the PET MRI, gets bought. There are still none in northeastern Ontario.

The opportunities for other hospitals to move ahead with new technology is there, obviously, because they keep purchasing that equipment and it keeps coming on—

line in Ontario. Those opportunities don't exist in northern Ontario. The financial case for northern Ontario is very different. The issue of equity of access is still there. To be told, when you are sick and when you are living in Hearst, in Timmins, in Sudbury or Sault Ste. Marie, that you will have to go to Toronto to get your PET scan is an issue of equity for the people of the north, and I would like you to address this equity issue.

Hon. Deborah Matthews: Yes, I will, and I know you've been a very strong advocate of a PET scanner for Sudbury for a long time.

The issue is that when you make investments in something like a PET scanner, there is a critical mass, and I'm told that the whole population of northeastern Ontario, all of the people who would go to Sudbury for a PET scan, would amount to only 25% of the volumes that you need to justify a PET scanner.

What's important to me is that people in the northeast have access to the same tests that everyone else in the province does. There are only five cities that have a PET scanner, so if you don't live in one of those cities, you're going to be travelling to one of those communities for a PET scan. So it's not just the people of northeastern Ontario who have to travel to get that PET scan—

M^{me} France Gélinas: But nobody travels for 1,600 kilometres, nobody travels for 1,200 kilometres—only the people of the northeast have those kinds of burdens put on them, and this is the equity.

You know, when you live in the north—for a long time, we fought to have a cancer treatment centre. We were told the same thing: We did not have the critical mass; we wouldn't be able to recruit; we would not have enough money to operate—at the time, they were cobalt machines and other radiation machines. But they built a cancer treatment centre in Sudbury, and it is now running flat out, and we now have other treatment centres in the north. We're at this point with this technology where the burden of travel that has been put on the residents of the northeast is not equal to what anybody else has to travel, the people from Hearst, Kap, and everybody else, who lives in the north. There's an issue of equity.

Hon. Deborah Matthews: The LHIN and the hospital have examined this issue. To the best of my knowledge, there has not been a recommendation from the LHIN or the hospital to move forward with a PET scanner for the northeast. There are other priorities that they place higher than a PET scanner.

M^{me} France Gélinas: Within the existing funding model that is based on the big urban centres. I agree with you: Within the funding structure that we have in place that always works in favour of big centres of excellence in big urban centres, the north is always the loser of those deals, and that goes for everything. The way that it is funded now, you're right: There's not a financial case. The point is, why don't we fund them differently so that we can have equity for every resident of our province?

Hon. Deborah Matthews: We would love to have a PET scanner in every community hospital, but people have to travel to get access to that. I hear you loud and clear: There is not a PET scanner in the northeast. In a time of limited dollars, we have to set priorities, and the LHIN and the hospital have both said that this is not their highest priority right now. I listen to the LHIN and I listen to the hospital, and I know you'll continue to advocate for your constituents; I understand that. But I can tell you that I have to listen to the advice of those people who are charged with the responsibility of allocating precious and limited health care dollars to where they will have the most impact for the most number of people, and right now, a PET scanner is not the highest priority for your community.

M^{me} France Gélinas: So are the hospital and the LHIN—

The Chair (Mr. Michael Prue): I'm going to stop you there because we've now reached 9—6 o'clock; it seems like 9 o'clock sometimes. We are going to adjourn now and we will reconvene on Tuesday, November 5, at 9 p.m.

Interjections: A.m.

The Chair (Mr. Michael Prue): A.m. Sorry, a.m. We stand adjourned.

The committee adjourned at 1800.

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Standing Committee on Estimates

Ministry of Health
and Long-Term Care

Ministry of Transportation

Comité permanent des budgets des dépenses

Ministère de la Santé
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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 5 November 2013

Mardi 5 novembre 2013

*The committee met at 0901 in room 151.*MINISTRY OF HEALTH
AND LONG-TERM CARE

The Chair (Mr. Michael Prue): We'll call the meeting to order. We are here to resume consideration of the estimates of the Ministry of Health and Long-Term Care. There is a total of exactly three hours remaining. When the committee was adjourned, the third party had 11 minutes remaining in its rotation.

Before we do that, I think, though, we need to put on the record happy birthday, Madam Minister. Happy birthday to your parliamentary assistant as well.

Hon. Deborah Matthews: Thank you.

The Chair (Mr. Michael Prue): You both share a birthday, and there's lots of birthday pie for everybody here. So help yourselves.

Hon. Deborah Matthews: You know, I have an idea how we could celebrate—

The Chair (Mr. Michael Prue): Go for it.

Hon. Deborah Matthews: —and it wouldn't involve being here.

The Chair (Mr. Michael Prue): Oh, no, no. This is another day in paradise. This cannot be missed.

France Gélinas, it is your 11 minutes.

M^{me} France Gélinas: Well, I feel like I should sing Happy Birthday, but I'm really sick today so there's not going to be any singing. I'm not sure if my voice is going to do 11 minutes in a row, so I may have to have it in little chunks. So far, I have my Fisherman's Friend and my Halls; I'm fully equipped.

I'll start with kind of a one-off question that has to do with the health units. I have a tough time finding the amount of money that goes to the different envelopes for our health units as the total amount spent by your ministry. Is this something that, I just don't know where to look for it, or is this something you could share with us?

Mr. Saâd Rafi: Public health units you mean?

M^{me} France Gélinas: Yes.

Mr. Saâd Rafi: Certainly, we can share it. It's co-funded with municipalities, as you know. So we can provide you the amount of funds that flow to the 36 public health units.

M^{me} France Gélinas: And I would like to know if the funds that flow to the health units flow by program area? Do you know how much money is going into, let's say,

the Healthy Children initiative versus some of the other initiatives that the health units do. So I'm able to find the total amount you spend on health units; I'm looking for a breakdown as to some of the specific programs and services that they offer.

Mr. Saâd Rafi: It's my understanding that in certain cases we would have dedicated funding, so the discussion previously on Healthy Smiles and CINOT, and then I'm not certain if we are providing—because it comes from our public health division, the funding. So I think it's then sort of dispensed, if you will, or allocated by the health unit for the initiatives that they run in their health unit. I would want to be corrected, if necessary, on that, but we'll get you that information.

M^{me} France Gélinas: Okay. So if there is dedicated funding within the health units, what those amounts are, and otherwise, total amounts.

Mr. Saâd Rafi: Okay.

M^{me} France Gélinas: You still fund the health units directly? They don't go through the LHINs for any of their programs?

Mr. Saâd Rafi: Correct. That's my understanding.

M^{me} France Gélinas: So that was a one-off on health units.

Now I would like to spend a little bit of time talking about hospital funding. You've made it clear that hospitals are looking at a 0% base funding increase and you explained the HBAM and the changes in funding; I get all of this. What I'm trying to understand is, whenever I talk with hospitals, they always talk about what seem to be different pots of money that they receive their budgets from. When I look from year to year, some hospitals are getting budget increases, but then they have to explain to me, "Well, that comes from patient-based funding. That comes from the HBAM. That comes from the fact that we're a new hospital." My question is, how many different pots exist to fund our hospitals?

Mr. Saâd Rafi: First, holding the line on hospital growth spending is very true. Some hospitals will receive, under the activity-based funding model that we've put in place—this is the second year—additional funds; it's a function of efficiency. Some will be limited to the funds that they will not receive—in other words, perhaps a slight reduction—for that component.

Then, as you say, if there's a redevelopment in that hospital and the redevelopment has opened or it's a new hospital, they would get post-construction operating

funding, and that would be determined on a scaled-up basis, based on volumes that are taking place in that redeveloped facility or in that new hospital. They may also get provincial program funding, which is anything from wait-time monies or other individual procedures that are being funded on an activity-based approach, meaning that there's a reconciliation at year-end for how many volumes they did of that procedure or procedures. And there would be capital, if indeed they had a capital project.

Hon. Deborah Matthews: And the rural 1%.

Mr. Saïd Rafi: Oh, yes. For certain hospitals outside of the activity-based funding model—so rural and small hospitals—it would be a 1% increase, along with a \$20-million fund for initiatives that they designed and delivered. There may be other sources that are just not coming to mind.

M^{me} France Gélinas: Okay.

Hon. Deborah Matthews: Just to add to that, we talk about a 0% base increase to hospitals. There is the additional funding on top of that, so overall, our hospital line is increasing by about 2%.

Mr. Saïd Rafi: Yes, that might be right.

Hon. Deborah Matthews: So there is more money going to hospitals, but it's not a base increase; it's attached, particularly, to volumes.

M^{me} France Gélinas: Okay.

Mr. Saïd Rafi: If I might—as we move to activity-based funding as a maturer way of funding, I think we have to move away from thinking about: Are you getting growth money or not getting growth money? You will grow, as it were, or you will continue to get volumes based on efficiency, effectiveness and where those volumes are allocated, which we will have to do with a planning exercise, which we haven't yet begun, and a capacity exercise.

M^{me} France Gélinas: Okay. When I talk to hospitals, sometimes they say, “We're 0%, but we've got ambulance offload nurses funding.”

Mr. Saïd Rafi: Oh, sure.

Hon. Deborah Matthews: Yes.

M^{me} France Gélinas: What is that? I know what that is; the name says what it is. But I'm more interested in, is this part of the 2% growth that you say? If I look at the hospital line as a total, we can see that it's growing. How many of those different programs are there that exist out there?

Mr. Saïd Rafi: Yes. I think certain initiatives have come up as necessary. The example you use is a good one, actually, with respect to getting ambulances and their patients safely and securely into the emergency department to get them back on the road. That was an impact that was noticed; a response was provided through funding.

Some of those initiatives may be lasting; some may be for a time-limited period, and they may not exist in every hospital. We would have to sit down and get that list of initiatives and provincial programs and so on for you, the sources of funding for hospitals.

0910

M^{me} France Gélinas: Okay. I would appreciate that.

Hon. Deborah Matthews: And as we move to health system funding reform, so we move to more activity-based, population-based funding, we'll probably see less by way of things like PCOP because it'll be captured in the other funding streams.

M^{me} France Gélinas: Okay. And is patient-based funding going to be fully rolled out in three or four years?

Mr. Saïd Rafi: Four years.

M^{me} France Gélinas: In four years, okay. I thought it was three. Was there—

Hon. Deborah Matthews: It was initially.

M^{me} France Gélinas: It was initially three, now it's four. Okay. Is there any talk of multi-year funding for our hospitals after 2013-14?

Mr. Saïd Rafi: No. The province still participates and does a zero-based budgeting approach to all its funds.

M^{me} France Gélinas: Okay. So it's not something in—

Hon. Deborah Matthews: But having said that, hospitals do know where they would be if we had HSFR fully implemented. So we're mitigating the change—it's plus 3% or minus 1% this year—but hospitals know down the road whether they're going to be getting more money or less money under health system funding reform. So our ministry officials have taken a lot of time with each hospital, walking them through what the future holds for them.

M^{me} France Gélinas: For that piece of the pie that comes from health system funding reform—

Hon. Deborah Matthews: Which is up to 70%.

M^{me} France Gélinas: Depending on who you are.

Hon. Deborah Matthews: Yes.

Mr. Saïd Rafi: For 90 hospitals, it's 70%, yes.

M^{me} France Gélinas: All right. Another thing that I have a tough time finding, although your website works pretty well, is the number of beds in clinical areas, let's say as of—we'll put it as of September 1, 2013. We used to be able to find this. I'm not able to find that anymore. So if you look at the different clinical areas, whether it's obstetrics or—

Hon. Deborah Matthews: By hospital?

M^{me} France Gélinas: Not necessarily by hospital—province-wide.

Hon. Deborah Matthews: How many med-surg beds we have, how many—

M^{me} France Gélinas: Yes.

Hon. Deborah Matthews: That would change from day to day, right?

M^{me} France Gélinas: I don't know if it changes from day to day, but I used to be able to find that information. I'm not able to find it anymore.

Hon. Deborah Matthews: Okay. It looks like we might have—

Mr. Saïd Rafi: So there—

M^{me} France Gélinas: I'm not looking in the right spot?

Mr. Saâd Rafi: You're not looking for an answer? I'm sorry?

M^{me} France Gélinas: Yes, I am looking—

Mr. Saâd Rafi: Oh, sorry.

Hon. Deborah Matthews: She's not looking in the right spot, she said.

Mr. Saâd Rafi: At the risk of reading off something just handed to me, with that caveat, 2,100 bassinets—I didn't know that; 2,485 rehab beds; 5,547 chronic care beds; 4,813 mental health beds, which would be child, adolescent and adult; and 18,585 acute care beds. This is for fiscal year 2012-13.

The Chair (Mr. Michael Prue): I'm going to have to stop you there—

Hon. Deborah Matthews: And in addition, there would be long-term-care beds that aren't—this is just simply hospitals.

Mr. Saâd Rafi: Yes, just hospitals.

M^{me} France Gélinas: Okay.

The Chair (Mr. Michael Prue): On to the government. You now have 20 minutes. Ms. Jaczek.

Ms. Helena Jaczek: Thank you, Minister. We, on our previous round, were talking quite a bit about transformation. I think one of the difficulties in looking at the Ministry of Health and Long-Term Care—and this comes from some of my colleagues. This weekend, we celebrated the 40th year of our graduation from U of T medicine, so we had a great reunion. My classmates obviously follow ministry business as they are physicians in practice for the most part and many of them are heads of services and so on, obviously at our advanced age.

Anyway, they find a lot of the terminology quite difficult to get a handle on. I think the basic concept of moving from acute care to the community is understood, but we talk about transformation and we use acronyms and so on, and it can be quite puzzling for, I think, a lot of—so if it's puzzling for physicians to figure out exactly what's happening, it obviously can be quite puzzling for the general public. So I wanted to go into a little bit more about the kinds of broad changes that we're making.

One of the things that we were talking about last week was experience from other jurisdictions. I was wondering again if you could give some examples in terms of moving to the transformation—some specific examples from other jurisdictions that have worked particularly well and that we're modelling our changes on.

Hon. Deborah Matthews: Absolutely, and I'm going to invite Helen Angus to come up—she's our associate deputy responsible for transformation—because she may well want to add.

One country that we are very inspired by in terms of care for the elderly is Denmark. Denmark, back in the 1980s, decided not to build any more long-term-care beds, but they did decide, at the same time, to really enhance community supports, whether it was home care, supportive housing, hospice care—the full continuum of community supports. When you look at their spending on long-term care and community care, they actually spend more in community care than they do in long-term care.

They have found that they are able to maintain the number of long-term-care beds that they have only if they invest heavily in the community sector.

That's been a pretty inspiring experience for us to follow, because the knee-jerk thing to do is to say that we have one long-term-care bed per however many people 80-plus and we need to continue with that ratio. We know now that we don't need to continue with that ratio. Yes, people will need care, and as the demographic shift is under way, we will have more people needing care, but do they need it in long-term-care homes? No, we're finding that they don't all. Many will, but the people who will be in long-term care will have much more complex conditions: advanced dementia, behavioural challenges and so on. But support in the community is the answer.

I'm going to turn it over to Helen, and she can speak in more detail about that.

Ms. Helen Angus: Yes, for sure. Thank you, Minister.

I would say we're in regular contact with jurisdictions like the UK and the National Health Service—in fact, twice this week. We're looking at our colleagues across the country that are implementing funding reform. As a practical matter, on funding reform we're one of the last jurisdictions to implement activity-based funding.

We're also, I think, in a position to teach some of our colleagues about our experiences in funding reform and particularly our work on health links. We've been looking with interest at some of the work on accountable care organizations in the United States that are looking at developing accountabilities for populations of patients and include hospital physicians and others.

I would say on the transformation that although there are lessons and parallels in many jurisdictions, as a practical matter, what we're trying to do in Ontario in terms of scope and scale is probably unprecedented, in trying to make as many changes on as many fronts in as big a system as the one in Ontario.

Mr. Saâd Rafi: I might add, if I could, that we would look very far afield; for example, the Shetty clinic or the Aravind eye centre, both out of India. Many people would say, "Well, there are different densities of population, obviously." Very true, but their unit cost and their outcomes—for example, in the Shetty clinic, \$1,700 for complex cardiac surgery per patient, with outcomes as good as Texas or MIT. So they have a method that, then, is looking at an ambulatory—I'm not suggesting cardiac surgery should be ambulatory—an ambulatory clinic approach that is something I think we need to learn from.

So there are all manner of jurisdictions that one can take from for made-in-Ontario/made-for-Ontario solutions.

Ms. Helena Jaczek: How do prevention and health promotion fit into this transformation? I mean, as a former medical officer of health, we have been saying the same thing for many years, with certain successes and obviously requiring legislative change. I'm just thinking about Smoke-Free Ontario and so on, but all this activity that does occur in public health units, how are you bringing them into transformation?

Hon. Deborah Matthews: I'll pass to Helen in a moment, but it's huge. When I released the action plan, almost two years ago now, the first pillar was about prevention, because we know that about 25% of the money we spend on health care is actually completely preventable, and the areas where we've focused are smoking—and our smoking rates have gone from about 25% to under 20%, but we want to get below BC, which is at 14.5%. We've come about halfway to where British Columbia is today in terms of smoking. We're seeing success, but we've got a ways to go.

0920

The Healthy Kids Panel: We decided to focus on that because it is very, very clear that our kids today are not as healthy as they were a generation ago and that is a health care burden coming at us. That's why we launched the Healthy Kids Panel. It gave us a number of ambitious recommendations and that's what we asked them to do. How do we get kids more active, eating more healthy food so we actually see a reduction in childhood obesity? That's a big public health issue, and one we must tackle.

We're also very much wanting to improve immunizations, whether it's pharmacists offering flu vaccines in their pharmacies or whether it's increasing the number of vaccines that we offer at no cost to parents. In fact, the vaccines that we pay for now under our public program save a parent about \$2,500 per child in vaccines they don't have to pay for any more because we're paying for them.

Of course, the whole Samir Sinha report was very much about preventing falls, keeping our seniors healthier and more active and out of the hospital.

There's a big focus on prevention. With some of those, it takes a bit longer to see the results, but for some of them we see the results quickly.

Maybe over to Helen.

Ms. Helen Angus: The only thing I would add to that is that in addition to the work on prevention—and I agree that it's a critical pillar of transformation and probably over the long term the best avenue to improve the health of the population. I would probably add in some of the work on integrated cancer screening—

Hon. Deborah Matthews: Yes, yes.

Ms. Helen Angus:—that is trying to better organize screening and improve screening rates. There's a project at Cancer Care Ontario, where I worked previously, that's looking at online risk assessments, and helping people identify what risks they may have for cancer and the screening they should undertake that would be appropriate for them.

Ms. Helena Jaczek: How is this actually filtering down to the health units? Are you modifying the standard programs, the guidelines? How are we ensuring—I sort of hear what's happening centrally. How is this rolling out right into the field?

Mr. Saād Rafi: I think immunization was mentioned, so they are obviously a key participant there in all manner of immunization, be that for children or adults. I would say on inspections, with respect to the sale of

tobacco products, smoking cessation tools are available to health units for their communities. In addition to that, tanning bed legislation—they have an inspection and oversight role there. The Chief Medical Officer of Health, Dr. King, has put out a strategic plan for this sector to work toward wellness targets and goals.

The other piece, I would say, is that a strong element would be some of the social marketing that's taking place, albeit at the ministry level. These are difficult needles to move in terms of behaviour change. My own knowledge and experience would be 25 years of change and continually marketing to get seat belt use from the low 70% to the high 90s. There's a direct correlation of safety and longevity associated with that, but that's a 25-year effort. Public health units are involved in many aspects in that regard.

Ms. Helena Jaczek: I guess, just picking up on the smoking rate in BC, which, as you said, Minister, is around 14% or so—that's a remarkable—actually, a very low rate, I would think, probably the lowest in Canada. Are we looking at what they did in BC and adopting practices potentially there that they introduced to achieve that, or is there a range of options that are being considered so that we can get down to that kind of rate?

Mr. Saād Rafi: Yes, both. "Yes," I think, is the answer. Again, if I could just pick social marketing as an example: Some jurisdictions—it's been very effective if you look at cigarette tobacco products. What the federal government has done with respect to—you know, that's a very shocking set of photos that you see on products. So that's one approach.

The second is, then, a target market approach, so early onset of smoking behaviours. We know that 66% of social smokers end up being long-time habitual smokers, so that's one approach.

I think what we've learned from BC as well is to look at where they target which markets—but it's a different market in terms of it's a different population base; it's a different approach. As we said earlier to the question on other jurisdictions, you sort of take the best of other jurisdictions and see if you can make a made-in-Ontario solution that fits this market.

Hon. Deborah Matthews: What the anti-tobacco folks talk about a lot is de-normalization. Actually, my little five-year-old grandson saw a no-smoking sign. He said, "What's that?" He had never seen a cigarette. He had no idea what I was talking about. I thought, "He's age five, and he hasn't seen people smoking?" That's a good sign that maybe we're doing a good job on de-normalization. The fewer children who see adults or teenagers smoking, the better.

Ms. Helena Jaczek: Okay. Now, Ms. Angus, you mentioned health links, again one of those terms where it is a little bit difficult to understand the breadth of it and that this is a program and what it entails. Could you just talk a little bit more about the community health links? Who is the target of the programming and how are these health links being set up?

Hon. Deborah Matthews: I'm going to start—

Ms. Helen Angus: Yes, please do.

Hon. Deborah Matthews: —and then I'm going to hand it over to Helen, because she won't say what I'm going to say, and that is that in my opinion, this is the most exciting thing that's happening in health care in this province. Indeed, there's international attention being paid to community health links.

The premise of why do we need community health links: We need community health links because a very small number of people depend very heavily on our health care system. So 5% of people consume two thirds of our health care dollars. They are not currently receiving care in a coordinated way. They may have multiple specialists, multiple services, be receiving care in different places, getting their drugs from different pharmacies, and nobody is able to get all of the information to design an appropriate plan of care, with that patient and their family at the centre of that plan of care. So they're bringing in people from all parts of health care and beyond in a given community to really develop plans of care so that people get the right care in the right place at the right time.

One of the places they're starting is, looking at people who are very high users of the emergency department. These are people who need care; that's why they come into the emergency department. But if they keep coming back, it's pretty clear that they're not getting the care they need, so we need to do better by those folks.

This is something that the people who are engaged in community health links are very excited about, because it's empowering them to solve problems locally. Instead of pointing fingers at one another and being frustrated at their lack of control over the health care of an individual, they're actually solving those problems.

I'll pass it over to Helen.

Ms. Helen Angus: Just to give you some examples of the kinds of patients we're talking about, I think the minister may have mentioned earlier that 75% of the complex patients see six or more physicians; of those, 25% see 16 or more. It really argues very strongly for the need for a care plan that everybody can see—and you can imagine, with 16 different physicians, what the issues might be in medication management, in the number of visits, in the utility of those visits and the potential duplication or gaps, or the issues in the quality of care.

I think what's exciting about health links is the fact that it does bring all these providers together around patients, and being so person-centred in what they do, it really hasn't taken them very long to include housing providers and others to actually develop a single plan of care and a single contact person for these patients who are accessing the health care system a lot. I think this pattern of care, for many of them, is really about not getting what they need rather than what they do need.

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We've worked with the sector very closely to basically reinforce some of the natural referral patterns and relationships in the sector. So they identify the population, how they want to work together, who needs to be

included, and we've stipulated some basic requirements around the engagement of primary care in a health link, a minimum population, an ability to track patients over time and look at the results. But we're also looking at providing them, I think, with a lower-rules environment in which they can innovate and provide some more creative plans of care for patients that truly meet their needs.

At the moment, we have 37 health links in the province, and the plan is to roll this out across the province as communities are ready to do this kind of work and can commit to it. We're starting to see some promising results. It's been less than a year, and I would say of our 19 early adopters, we have care plans being developed in all of those locations for complex patients and some pretty good emerging stories.

Ms. Helena Jaczek: How long do I have left, Mr. Chair, in this round?

The Chair (Mr. Michael Prue): You have about two minutes.

Ms. Helena Jaczek: Okay. I just want to pursue that a little bit more in terms of how this actually works. The minister referenced someone who's showing up in emerg several times. Who takes the initiative to say to that patient—is it someone within the emergency department of a hospital who says, "We've noticed Mrs. Smith has come here three times in the last two weeks"? If it is someone in the hospital, then do they get in touch with a family doctor? How do you evolve a health link program?

Ms. Helen Angus: Do you want me to answer that?

Hon. Deborah Matthews: Go ahead, yes.

Ms. Helen Angus: Sure. My sense is that it's actually quite different in different parts of the province. Some absolutely have taken that approach and have started in the emergency department. But it's actually a group of providers who have already agreed to work together, so it's not a cold call to a different provider; they've already decided how they're going to work to coordinate care for this group of patients, where they want to start and how they're going to come together to develop care plans.

Ms. Helena Jaczek: So is it mostly the family health teams that are taking the initiative?

Ms. Helen Angus: Well, I guess the family health teams, the hospitals and the CCACs are all required to be involved for us to say that that is a true, functioning health link. I think that where they identify patients might be in the family health team in some cases and in the emergency department. So they have come together and looked at the kinds of patients that they think need care coordination, and then they go and find those patients, wherever they are. That might be in the emergency department; it might be in a family practice environment; it might be in an in-patient bed and somebody awaiting discharge.

So they've taken a variety of approaches, and we're going to learn from that, but they are actively coming together as teams around individual patients and developing a care plan, and we've put a lot of effort into

identifying what the elements of a good care plan might be in order to make sure that it's comprehensive. There's a lot of work around what matters to "me," for patients, in terms of making sure the care plan actually addresses the things that are important to the patient, rather than necessarily the things that the providers think are the most important.

Ms. Helena Jaczek: Thank you.

Hon. Deborah Matthews: What we—

The Chair (Mr. Michael Prue): I'm going to have to stop you right there. We go on; the next 20 minutes is for the Conservatives.

Mr. Rob Leone: Thank you, Mr. Chair, and happy birthday, Minister—

Hon. Deborah Matthews: Thank you.

Mr. Rob Leone: —and to the parliamentary assistant. I didn't realize you shared the same birthday.

Hon. Deborah Matthews: Guy Fawkes Day. You know the guy who wanted to blow up the Parliament buildings? Just saying.

Mr. Rob Leone: Minister, I know my questioning ended off last week talking about the Healthy Kids Panel. I have a few more follow-up questions related to that, and then I'm going to hand it over to my colleagues.

Minister, I produced a letter last week that was sent by your ministry about the consultation process on the Healthy Kids Panel. The first consultation was planned for October 22, 2013, so a couple weeks ago, at least. The sessions were focused around following a number of things, one of which was the insights on a monitoring and evaluation system.

My first question to you: Did anyone come forward during that consultation to estimate how much it would cost to evaluate and monitor a system—I called them "junk food cops" last session, who will essentially go into convenience stores, grocery stores, places where unhealthy foods are being sold. How much is it going to cost to monitor that kind of system? Did anyone come forward with some estimates of cost?

Hon. Deborah Matthews: I have not been briefed yet on the results of the consultation. But I can tell you, if we were doing what is the cost of doing something versus what is the cost of not doing something, I think, on balance, there is no question that the cost of not doing anything would far outweigh the cost of doing something.

I look forward to hearing the results of the consultation. As I say, I have not yet been briefed on what was heard at those consultations.

Mr. Rob Leone: There were stories in the press earlier this month that talked about how principals in schools are sending junk food home. If they find junk food in a student's lunch, they are asking those kids who are bringing the junk food to school to bring it back home. That, I think, is part of an overall approach where third parties are monitoring the food that kids are eating, essentially, which, I guess, points to two interesting things. We're talking about, with the Healthy Kids Panel, the effect of marketing unhealthy foods to kids, yet in our schools, we have parents packing lunches with unhealthy

foods. The question arises: Even if you ban the marketing of unhealthy foods to kids, what's to prevent parents from giving these kids unhealthy food in the first place, when we have that scenario happening in our schools today?

Hon. Deborah Matthews: I'm not familiar with kids being sent home with unhealthy snacks. I know that we have restrictions around what foods can be sold in schools. I'm not aware that anybody is reviewing what is in the lunch box—

Mr. Rob Leone: Yes, I think there was a CTV story that happened; I don't know if I have the exact date or the article in front of me here, but it happened around—I think it was during our break week, so just after Thanksgiving.

Hon. Deborah Matthews: Okay. I can't comment on that because I don't know what that story is.

Mr. Rob Leone: Okay.

Hon. Deborah Matthews: But what I can tell you is that marketing is very powerful. I think, as adults, we are seduced by marketing. Little children, who don't have the judgment yet developed to be able to sort out what is actually being marketed at them—I think it's worth looking at. We know that 80% of the marketing aimed at children is for unhealthy foods. That troubles me.

I hear that you're opposed to making any changes on that front, and I will add that to my consultation.

Mr. Rob Leone: Well, here's what I'm opposed to, Minister: the fact that we're legislating something here in this area. When you're saying, "We're going to ban this," you're not teaching people what is right and what is wrong. You're just saying, "You can't have this." This is just like the apple in the garden of Eden, so to speak. I think what's more powerful is if you say, "Parents, you're responsible for feeding your children. You can say no, and you should tell your children why you should say no." I think that's the parents' responsibility.

What I have an issue with is when the government oversteps that responsibility and says, "We're going to tell you what you can and can't do." I think, at the end of the day, that's not teaching anybody anything. That's just saying, "We have laws, we have regulations, and we're going to monitor what you can and can't do." I mean, taken to an extreme, that poses a very difficult challenge for government. But I think we obviously have to respect parental rights as well. That's where I have an issue—and what we were talking about agreeing and disagreeing with.

What you made mention of last week was that you were worried about the parent who had a kid who requested candy and the parent said no; they had a temper tantrum, and they were ushered outside the grocery store. I think that's par for the course as a parent. You're going to expect kids to have temper tantrums because a parent says no, and the reasons for saying no are obviously within what the parent respects. But what we're saying now—that we're afraid of temper tantrums; therefore, we should just ban these things to begin with—I think is just the wrong approach.

Hon. Deborah Matthews: I need to correct you, because I think you're going somewhere where we have no intention of going, and that is on banning the sale of junk food to kids. Nobody is talking about banning the sale of junk food to kids.

The Healthy Kids Panel report—and I know you have a copy, and I'm assuming you've had a chance to read it, because you obviously have a lot of interest in this topic—is very much about responding to what they heard from parents about what kind of environment parents want to raise their kids in.

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Parents raised issues. It's about helping parents make the healthy choice for their kids. That's the whole tone of that Healthy Kids Panel report. It's not about banning; it's about—

Mr. Rob Leone: It's banning advertising, though. That's part of it.

Hon. Deborah Matthews: That is something we're looking at. They did make the recommendation that we look at—

Mr. Rob Leone: Two recommendations.

Hon. Deborah Matthews: —that we look at the marketing of unhealthy foods to children, so that's what we're doing. We're consulting on that now. We've invited a range of people with a range of perspectives to participate in those consultations. I'm going to put you down as opposed.

Mr. Rob Leone: To Mr. Harris.

Mr. Michael Harris: Thank you. Good morning, Minister. Happy birthday as well, and to your parliamentary assistant, happy birthday.

My line of questioning will revolve around eHealth. I remember our discussion last year on eHealth in committee. I'd like you to tell the committee how many Ontarians to date do not have an electronic health record.

Hon. Deborah Matthews: We have about seven million Ontarians now with EMRs. We've got about 70% of family doctors using EMRs and about 60% of physicians overall. We are on track to have an EMR for every Ontarian by 2015.

I really want to give a shout-out to OntarioMD. That's the part of the OMA that's responsible for bringing doctors into the world of eHealth.

Mr. Michael Harris: Last year, when we asked you that same question, I think you'd mentioned around the same number. I'm just wondering why there's really no progress from year to year on that number.

Hon. Deborah Matthews: We are seeing progress, but why don't I make sure I have the most up-to-date numbers.

Mr. Michael Harris: Yes. If there's a progress report—or have you done a progress report or asked eHealth to provide you with a report on the update of electronic health records in Ontario? Could you make that available to the committee?

Hon. Deborah Matthews: Yes, sure.

Mr. Michael Harris: Great.

I noticed—everyone noticed—that Greg Reed recently left from eHealth. Why did Greg leave?

Hon. Deborah Matthews: Can I just—I've been corrected: nine million Ontarians. If last year was seven million and this year is this nine million, that is two million more Ontarians with an EMR.

Mr. Michael Harris: Greg Reed left as CEO of eHealth. Why did he leave?

Hon. Deborah Matthews: He had completed a very ambitious go-forward at eHealth. We were seeing significant progress. He made a decision to move on.

I want to take this opportunity to say that he put eHealth back on track, and I'm grateful for the work he did.

Mr. Michael Harris: Now, he did leave six months before his contract expired. Were you concerned about that?

Hon. Deborah Matthews: No. That decision was fine with me.

Mr. Michael Harris: I did see as well that he received a severance package of around \$400,000. Is this standard? Is this normal? Do you think Ontarians would have a problem with Greg leaving six months before his contract expired and then being given a golden handshake of almost half a million dollars?

Hon. Deborah Matthews: That was the contract. That was in his contract.

Mr. Michael Harris: Where are you at, to date, with regard to hiring his replacement?

Hon. Deborah Matthews: That work is under way. Perhaps the deputy could speak about the strategic review that's under way and where that leaves us.

Mr. Saïd Rafi: Yes. The board has established a search committee. That search committee has gone through a process of interviewing candidates, and it's my understanding that they are coming close to concluding that process with a short list. They'll come forward to make a recommendation in due course to the minister.

In addition to that, we're looking at a strategic assessment of the functions of eHealth to determine what should continue on in what pace. That review will conclude, hopefully, in about a month.

Mr. Michael Harris: Minister, will that severance package, similar to what Greg Reed received, be, on a go-forward basis, in the new contract for the new CEO?

Hon. Deborah Matthews: That is to be determined.

I do want to say, though, that when I talk about nine million Ontarians with an EMR, that is significant progress, but what is even more meaningful to people who work, for example, in the community health links, is that we are sharing information amongst providers. Connecting the GTA are the five GTA LHINs, working so that all of the hospitals have access to the records of all of the people who have been there—and community providers.

In southwestern Ontario, we've got cSWO, connecting South West Ontario, where hospitals within southwestern Ontario, including in your riding, are connected, so people could go to a different hospital within that area

and their records would be right there, available for them. In addition, in the north and east, there is another effort under way to connect those providers.

This is the future of health care. It's a huge enabler for us to be able to continue to improve health care and keep costs under control.

Mr. Michael Harris: When you talk about cost control, a \$400,000 severance package seems fairly excessive, especially when the salary for the CEO was over \$300,000. I guess you would have approved that \$400,000 severance package?

Hon. Deborah Matthews: That was in his contract. *Interjection.*

Mr. Michael Harris: And he left early, of course. Rob, did you have something to mention on that?

Mr. Rob Leone: I just wanted to follow up on that, Minister. Why did he leave? Did he leave on his account?

Hon. Deborah Matthews: I would say that it was a mutual—

Mr. Rob Leone: Or did he get fired? Did he get fired?

Hon. Deborah Matthews: No, he did not get fired.

Mr. Rob Leone: Okay. So why, if someone leaves their contract six months early, do they get a \$400,000 severance package? That's what I'm struggling with.

Hon. Deborah Matthews: That was the way his contract was written. He did not—

Mr. Rob Leone: So his contract was written that, "if you leave six months early, you're going to get a \$400,000 package"? Why wouldn't he leave six months early?

Mr. Saïd Rafi: I don't know the details of his contract. I think the contract would have had provisions—

Interjection.

Mr. Saïd Rafi: The contract would have had provisions in it such that at the end of the contract, there would have been a severance payment. If they came to a mutual agreement, departing six months before, I don't know how that factors into the severance.

Mr. Rob Leone: Is it possible to table the contract at the committee?

Mr. Saïd Rafi: I don't know. I don't have the details of his contract as to what provisions might prevent that, but we'd certainly look into that.

Mr. Rob Leone: Okay.

Mr. Michael Harris: What would you say the estimate is to date with regard to how much it has cost Ontario for providing electronic health records, off the top? I mean, I'm sure you get briefings on eHealth.

Hon. Deborah Matthews: Sure—

Mr. Michael Harris: Do you have an idea of where we're at to date?

Hon. Deborah Matthews: So you're asking cumulative expenditures, including under Smart Systems for Health, before we took office?

Mr. Michael Harris: Let's say, while you've been health minister, what has been spent—or at least the government, your government?

Mr. Saïd Rafi: Yes, I would have to compile that over the last four years. I don't have the total at my fingertips, but we can get the compiled spending.

Hon. Deborah Matthews: But I think it's very important that you understand that when we talk about eHealth, we're talking about much more than simply electronic medical records in individual doctors' offices. We're talking about, for example, getting lab results immediately uploaded to the records in the doctor's office. We're getting much faster turnaround on diagnostic imaging, for example, that's facilitated. We've got a range of other services that are provided.

One of the most extraordinary ones, for me, is called ENITS, emergency neuro-trauma—whatever the acronym is. But what it means is that if someone has a head injury in a hospital that does not have a neurosurgeon on call, they can, in real time, consult 24/7 with a neurosurgeon who can view the image in real time, talk to the emergency room physician, and make a determination about whether or not that patient should be transported or not.

Mr. Michael Harris: Great. Thanks—

Hon. Deborah Matthews: We have saved millions and millions and millions of dollars of unnecessary transportation because that's happening in real time, thanks to eHealth. It's pretty hard to put a number on that.

Mr. Michael Harris: What about the diabetes registry? Last time we were in committee, we talked about—you'd given us an update on that. You said that it was in the stages of being completed, and you were looking forward to that. Then all of a sudden, months later, it was cancelled.

Hon. Deborah Matthews: That's right.

Mr. Michael Harris: Why was that cancelled?

Hon. Deborah Matthews: The first thing I want to make sure is clear is that the way that contract was structured, we did not pay for any of the work that was done by a vendor on that project.

Mr. Michael Harris: So eHealth has paid CGI zero dollars on the diabetes registry?

Hon. Deborah Matthews: That is my understanding.

Mr. Saïd Rafi: Yes, that's right.

Hon. Deborah Matthews: They did not meet deadlines, and we chose to cancel the contract. The reason we chose to cancel the contract was, first of all, it was taking too long. But the way EMRs had evolved, physicians actually were getting the information they needed to properly care for their patients with diabetes without the addition of this particular registry. So physicians were saying that the technology has actually made that diabetes registry not something that they would use. So it's the right thing for the people of this province to cancel that contract.

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Mr. Michael Harris: Is there any civil litigation between eHealth, the government and CGI with respect to the diabetes registry?

Mr. Saïd Rafi: Yes, I believe there is. They've brought a case forward. I believe it's a dispute on the

position of government in the interpretation of the contract.

Mr. Michael Harris: Would you be able to provide that contract to the committee?

Mr. Saâd Rafi: I don't know if it's possible to do that. Again, I have to seek counsel, considering if it's part of litigation—that's why I said—

Mr. Michael Harris: So, clearly, there's a disagreement between eHealth, the government and CGI with respect to the contract in terms of the not paying anything for services somewhat rendered. It's hard to believe any company would do any type of work for nothing, I suppose. I'm not sure if I believe the fact that the government or eHealth won't be paying anything for the diabetes registry. I'm curious to find that out.

Mr. Saâd Rafi: The way it was structured was under an alternative finance and procurement model. So if certain milestones weren't hit, then payment was not provided. That's how—and they're disputing that. That's what's causing this—

Mr. Michael Harris: So, Minister, Ray Hession, the chair of the board, is now interim CEO, correct?

Hon. Deborah Matthews: That's correct.

Mr. Michael Harris: I think his daily rate was \$600 plus expenses. Is that continuing on while he's interim CEO?

Mr. Saâd Rafi: For the time that he spends in the interim role, yes.

Mr. Michael Harris: How long do you expect that role to remain interim?

Mr. Saâd Rafi: I think, as I mentioned, the search for a CEO has advanced. I can't say if it'll be two or three months but, I would imagine, in that ballpark.

Mr. Michael Harris: Potentially by the new year?

Mr. Saâd Rafi: Pardon me?

Mr. Michael Harris: Potentially by the new year?

Mr. Saâd Rafi: It depends on decisions that are made with respect to the CEO and the assessment of the review. I think it's—

Mr. Michael Harris: How has—

Mr. Saâd Rafi:—say how long.

Mr. Michael Harris: How has that process been going? Have you publicized or have you narrowed down the field of candidates? What are some of the qualifications that you've asked for?

Mr. Saâd Rafi: The board has put down a set of qualifications and objectives that have gone into a search process. My understanding is there's a committee of the board that is undertaking the search. They have interviewed a short list of candidates.

Mr. Michael Harris: Do you know if one of the qualifications will be for the CEO to have a PhD?

Mr. Saâd Rafi: I don't know that.

Mr. Michael Harris: I'm just wondering because I know we've paid for a lot of these PhDs to happen after the fact. Perhaps it would be wise to include a PhD in the qualifications so that Ontarians aren't on the hook for flying eHealth executives around Ontario, paying for

PhDs like they did with Alice Keung, I believe. I'm not sure if we're—

Hon. Deborah Matthews: So you're recommending a PhD be required?

Mr. Michael Harris: Well, I'm just asking if that's in the qualifications.

Mr. Rob Leone: I'm not available.

Hon. Deborah Matthews: Neither am I.

Mr. Michael Harris: So you hope to have somebody in place at the beginning of the new year or roughly around there, Minister?

Hon. Deborah Matthews: The process is in place, and I would much rather take the time to find the right person than speed up the process.

The Chair (Mr. Michael Prue): And with that, I'm going to stop you. The next 20 minutes go to Ms. Gélinas.

M^{me} France Gélinas: Thank you. I will continue—

Hon. Deborah Matthews: Oh, dear.

M^{me} France Gélinas:—if my voice allows me, with hospital questions. Sorry. I'll try another Fisherman's Friend and see what happens. I thought I had good drugs, but they were not as good as I thought.

I'm talking about specific hospitals at this point. My first series of questions was general. This one will be within the Niagara Health System first. We're talking about the Queenston Street site and the Ontario Street site—

Hon. Deborah Matthews: I'm sorry; can you just lean into that microphone a little bit more? I'm having trouble hearing.

M^{me} France Gélinas: Yes, I can. Okay, so the Queenston Street site, the Ontario Street site, the Welland site and the Greater Niagara General site: How do I go about finding—maybe you can help me—what was budgeted for those sites and what was spent in those sites? I'd like to go back to fiscal 2011-12 and fiscal 2012-13.

Mr. Saâd Rafi: I think we'd have to talk to the hospital management as to how they allocate budgets to the various sites of the Niagara Health System. We wouldn't have an immediate understanding of that because there is a board that's responsible and then, of course, given the supervisor who is in place—the supervisor's role would overlap some of those dates. So we'd have to get that for you.

M^{me} France Gélinas: Well, precisely because we have a supervisor in place, doesn't the supervisor share information with the ministry, given that you appointed the supervisor?

Hon. Deborah Matthews: Absolutely, but I think you're asking for information by site, and I'm not sure we have that information, whether we have it by program or by site. We'll look into how deeply we can dive to get that information for you.

M^{me} France Gélinas: Okay, I appreciate it. I would like, while you do your deep-sea fishing, the information on the total number of hours of booked—scheduled and non-scheduled—OR time. It's really hard to find the

information about, basically, usage of OR time at the different sites. While the supervisor is there, I understand that this information has been gathered and looked at; it's just to share that with us. That would be the number of booked—scheduled and non-scheduled—OR times in those different sites. Right now, I think the information that is available is available by fiscal year 2011-12 and 2012-13. If you have it in another format, I would take that too.

Hon. Deborah Matthews: We'll see what we can do.

M^{me} France Gélinas: My last question specific to hospitals in that area is the proposed budget for oncology and cardiac programs at the new St. Catharines hospital, because it is one of those new—remember, I was talking to you before about the budget that we think is coming to a hospital, and then there's a new hospital, and there are other decisions that are made regarding their funding. So I'm interested in the decisions that are made regarding the oncology and the cardiac programs at the new St. Catharines hospital.

Hon. Deborah Matthews: When we were talking about different streams of funding into hospitals, we didn't talk about Cancer Care Ontario. They fund cancer procedures and, of course, there was no cancer program in Niagara until the new hospital at St. Catharines. That would have been funding that came from Cancer Care Ontario. So we'll undertake to—

Mr. Saïd Rafi: And it would ramp up over time.

Hon. Deborah Matthews: —see what we can do there.

M^{me} France Gélinas: Okay. I very much appreciate it. I'm done with hospitals and I'm now moving onto long-term care. I'll start with some one-offs and then dive deeper into it.

The one-off: Every year I ask about the follow-up on the recommendations from the Casa Verde inquest. Do we have a scheduled update as to the recommendations that were done after the inquest was completed?

Mr. Saïd Rafi: I don't know that we have a percentage of response to the 85 recommendations of the Casa Verde inquest from 2005, but the major response was the introduction, as you well know, of the Long-Term Care Homes Act, and the multitude of changes that that act and its requirements for resident care had to respond to Casa Verde. Some of those elements would be, of course, special units for long-stay beds and some assistance with dementia and responsive behaviours. So Behavioural Supports Ontario is a response to that.

There has been a large and significant response to many of those initiatives, and as recently as this fiscal year, we continue to respond to some of the requirements and recommendations; for example, \$10 million in funding to support the training of staff to deal with patients with behavioural and complex care needs; and again, changes in August to regulations that would see an improvement of the discharge process for people in specialized units. I could go on—the use of RAI-MDS I think you're very familiar with and how that has been taken across the entire sector for a better assessment,

either pre-admittance or during any back and forth to hospital, for example, for long-term-care residents.

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M^{me} France Gélinas: Okay. So if I'm looking specifically at the recommendations on Casa Verde, I'm not going to have a report as to, “We had so many of the recommendations implemented. We're now ticking off another three for this year” or anything like that?

Mr. Saïd Rafi: I don't believe that exists, but I would like the opportunity to check if there has been a charter or something that would say, “Okay, 85 recommendations, 90% implemented.” But I'm just not familiar with it.

M^{me} France Gélinas: Is there a policy as to what kind of follow-up happens whenever there is a patient-on-patient incident that leads to a patient's death? There is a lot of social media information circulating saying that 67 patient-on-patient incidents in our long-term-care homes resulted in the death of long-term-care residents in the last six years. Do you know if those numbers are exact? And if they're not, what are they?

Mr. Saïd Rafi: Well, first, there's a very regimented process for inspection and compliance incidents. So again, in the changes to the Long-Term Care Homes Act of, I think, 2010, there was a multitude of responses by long-term-care homes to critical incidents because they were alive and alert to the fact that they had to submit for all incidents. What that causes is a complete and utter increase in the number of incidents, because I think there's a caution applied.

Now, the causality associated from an incident that leads to a death—I mean, I don't know those numbers. I'm not familiar with a report that says X, because causality is difficult in very frail seniors. If we're talking about a particular attack or an incident between two residents, that too is investigated. Sometimes regrettable circumstances arise, tragic circumstances. There may be police called in.

I can't verify whether there have been 67 in six years because I don't know the causality of an incident—i.e., a fall is an incident. Who's at fault? Was it just an innocent circumstance or right through to very horrific circumstances?

M^{me} France Gélinas: Is there any way to review resident-on-resident violence that results in death? This is pretty serious. I don't think that the numbers are that huge, and if it is not 67, then I think the ministry has a role to put out what that number is, because it creates a lot of anxiety in families that are looking at, “Is this the right path for my loved one to go on?”

Mr. Saïd Rafi: Yes. I can't disagree with that, but I think what the ministry does in support of that point is, all compliance reports are posted on the website. The inspection of the homes is a very thorough process. The government is adding 100 inspectors to do the residence quality inspections. It's probably the most transparent process in long-term care that exists today. So I think family members can make a very informed decision about the homes in their community as to their compliance against very rigorous standards that came out as a

result of the changes in the legislation and the following regulations.

Would it help to be augmented by the number of incidences or deaths on resident-to-resident interaction? Perhaps, but I think, more substantively, the understanding of what the sort of compliance record of that home is, and then, obviously, a visit, an interview process etc.

M^{me} France Gélinas: I don't disagree with what you've said. Some of the information that is available to clients is dated. The up-to-date reports are not always there. Some of the information on particular homes is pretty old, so not that helpful. But I don't disagree that this is a good source of information and all that, but it's not always as useful, depending on the home that you are looking at—which brings me to—

Mr. Saâd Rafi: They may have a good compliance record; there may not be many incidents.

M^{me} France Gélinas: Well, then, it should still say.

Mr. Saâd Rafi: Fair enough.

M^{me} France Gélinas: The wait-lists for long-term care by CCACs: This too—it's very hard to do this on a website, so I will ask of you if you could give me—and pick a recent date, in October or September this year—the wait-lists for long-term-care homes by CCACs. I would appreciate it if you could table that with the committee—

Mr. Saâd Rafi: Okay.

M^{me} France Gélinas: —as well as the breakdown of the number of beds that are—I don't know if it was just me, but you used to have those little charts that would show municipal homes for the aged, charitable homes, not-for-profit, for-profit, and we could see the number of beds in each of those categories. That little chart is no longer there, and I was wondering where we were at with that.

I'm mainly interested in the for-profit versus not-for-profit, how many beds with—

Mr. Saâd Rafi: A breakdown of the number of beds by type of long-term-care facility, so municipal, not-for-profit, for-profit?

Hon. Deborah Matthews: Charitable.

M^{me} France Gélinas: And charitable.

Mr. Saâd Rafi: Yes, charitable. Okay.

M^{me} France Gélinas: There was a lot of talk about a staffing committee in long-term-care facilities, and I was wondering if I could get a status of the staffing committee for long-term care.

Hon. Deborah Matthews: The staffing committee for long-term care?

M^{me} France Gélinas: Yes, in long-term-care facilities.

Hon. Deborah Matthews: I'm not sure—

Mr. Saâd Rafi: As soon as I find out what that is, I'm certain we can provide you with a status report. I'm not familiar with a province-wide staffing committee, unless, perhaps, it's with the homes themselves, but I'll certainly look into that.

M^{me} France Gélinas: Sounds good.

In 2003, the CMI data was released, but not publicly. I was wondering if the information, either the RUG III—whatever—that shows the acuity of residents in long-term care, either provincially or by sector—can I have access to that data, and do you have any intention of making that data available publicly?

Mr. Saâd Rafi: I think we can get that information. I don't know its status in terms of public or non-public. I'm just ignorant on that. Sorry.

M^{me} France Gélinas: Okay. If it is not public, would you consider making public what shows the trend or the status of acuity within different long-term-care homes?

Hon. Deborah Matthews: We know for sure that acuity is increasing. People are needing more supports in long-term care than they did before, and the more successful we are at providing supports in the community—we know people in long-term care will need more help.

M^{me} France Gélinas: I think everybody agrees with that line of thought. Where the discourse comes is that some homes for some reason are way more affected than others. In some homes, acuity seems to have stayed pretty stable, as opposed to others, where acuity levels have gone really high. Because this information is not available publicly, it brings a lot of hearsay as to, that homes keep refusing high-acuity clients referred to them as opposed to that one, which takes them all. Do you see where I'm going?

Hon. Deborah Matthews: I do see where you're going.

Mr. Saâd Rafi: Yes.

M^{me} France Gélinas: Okay. Thank you.

Another piece of information that I used to request through freedom of access of information—and then I got it regularly without paying five bucks, but it's not coming anymore, so I'm going to ask for it again—the number of full-time equivalents and paid hours by nursing, and personal care classifications—the same thing. It used to come by nursing home, homes for the aged, charitable homes and the for-profit, and you'd basically see the staffing—

Hon. Deborah Matthews: The staffing ratios?

M^{me} France Gélinas: —the staffing ratios. Is this something that you still compile? If you could share that with us.

Mr. Saâd Rafi: Yes.

M^{me} France Gélinas: Thank you.

Another question regarding funding has to do with, here again, the breakdown of funding to long-term-care homes in the per diem and how the 2% increase was allocated. So basically, what are the per diems for the different envelopes—personal care, nursing etc.—and where does the 2% increase apply? Can we actually see this, the 2% that was in the 2013 budget?

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Mr. Saâd Rafi: Yes, we can.

M^{me} France Gélinas: Okay.

Mr. Saâd Rafi: We can give the sort of typical per diem, because as you know—I don't need to tell you all this; you know all this—that varies based on acuity or

need. But, yes, we can show where we apply the increase by the per diem categories, of which there are four.

M^{me} France Gélinas: Okay. So do you know—is the 2% going equally to all four categories, or is the 2% targeted to a specific envelope?

Mr. Saïd Rafi: It's the latter. I want to be certain of my response with respect to where it's allocated, so I won't venture to just guess, if that's okay.

M^{me} France Gélinas: Okay, no problem. In the allocation, does the level of acuity come into play when you do the 2% increase? How are the decisions made? Is this a formula? How does it work?

Mr. Saïd Rafi: Well, the per diem is based on basically a CMI of 100, right—the base level CMI, as you know. So the 2% doesn't fluctuate, meaning the dial moves higher if the acuity is higher. The acuity is assessed. The 2% is applied as, I think, more of a function of the overall resident care needs in the 2013-14 budget for long-term care. And then acuity is looked at after that, I believe. Otherwise, it would be way too complex for the 77,000 residents.

M^{me} France Gélinas: Okay. I wouldn't mind if you would basically explain the calculation for the 2%—

Mr. Saïd Rafi: Sure.

M^{me} France Gélinas: —so that I could understand.

The Chair (Mr. Michael Prue): About one minute.

M^{me} France Gélinas: All right. Anything else you would like to share about long-term-care funding in 60 seconds or less?

Mr. Saïd Rafi: It's seen a significant increase over the last 10 years, and I think—

Hon. Deborah Matthews: From \$2.1 billion to \$3.8 billion. That's almost a doubling in 10 years.

Mr. Saïd Rafi: Some 6% average growth.

Hon. Deborah Matthews: So 80%.

M^{me} France Gélinas: I heard the discussion you had with the member from Oak Ridges–Markham about—do you see an expansion in the number of long-term-care beds, or do you really see a new direction for looking after—

Hon. Deborah Matthews: Absolutely, we see a new direction. There probably are parts of the province where there may need to be more capacity in long-term care, but we are very much focused on expanding community supports so that those people who go into long-term care really need to be in long-term care. Our most recent data that I've seen shows that about one third of people who go into long-term care actually could be cared for at home with the right supports.

The Chair (Mr. Michael Prue): We'll have to stop you at that point. It now goes to the government. Ms. Jaczek, we are going to continue until approximately when the bells start to ring, so you'll have to do the last half of your 20 minutes when we come back this afternoon.

Ms. Helena Jaczek: Sure.

The Chair (Mr. Michael Prue): Okay.

Ms. Helena Jaczek: Thank you, Chair. If we could return to health links, because it's a new program—and

I'm still kind of trying to get my head around how a group of professionals decide to form a health link. I mean, it sounds like the initiative is coming from community health professionals themselves. So how did they initiate? Did they apply for some special funding? Are these patients rostered? Are they invited to join? Is funding dependent on the rostering? How are you ensuring there's some geographical representation, that this is being taken up? I mean, it sounds intuitively like a really good idea because you're going to be managing these very complex patients with a view to avoiding hospitalization etc. I think, conceptually, everyone can understand this is good, but again, I'm really interested in how it's being operationalized to the extent—also, how are you going to be measuring the success and so on? Could I just have a fuller picture?

Hon. Deborah Matthews: Let me start, and then I know Helen will be able to go into more detail.

It was exactly a year ago, in a speech I gave at HealthAchieve, that I talked about this idea of health links. We were very pleased that 19 community organizations had already been talking about how they would move forward on something like this. We call those our early adopters. Those 19 have received a small amount of funding.

We're not replacing providers. It's using the existing providers within that geographic area. They've applied. We've said, "You have to include primary care; you have to include a hospital; you have to include a community care access centre"—the home care—"and other providers."

They have come together voluntarily. We now have—37?

Ms. Helen Angus: Thirty-seven.

Hon. Deborah Matthews: —37 up and running, with more in the works. We estimate that to have the whole province covered, we'd need about 100.

These are groups of people who collectively are sitting around the table in their communities, saying, "We can provide better care for patients and better value for money if we work together, focusing on those folks."

We said to the health links—we wanted them to be getting results quickly, so we said, "Choose 100 people in your area who you think would benefit from a community health link." I actually was at a meeting where physicians were fighting to get their patients accepted into the community health link, because they really saw that a particular patient would benefit from that kind of much more holistic support.

As they go on—I mean, they had to start somewhere. They've identified people. The data from ICES has been very helpful as well in determining who would benefit from this kind of care.

It's voluntary; it's inclusive. There's a lead organization, but it's different across the province. Sometimes it's a family health team; sometimes it's a hospital; sometimes it's public health. I think we have public health taking the lead on one or more health links.

They are there in the community. As I say, they collectively work, focusing on one patient, their family and the needs they have.

Ms. Helen Angus: The minister is right: We started with early adopters that had already demonstrated a high degree of co-operation, where the family health team was highly connected to the hospital, the CCAC and others.

It's a two-step process to become a health link. First, there's sort of a readiness assessment: Do you have the preconditions to be able to develop coordinated care plans, identify the complex patients and work together? Within about two months, they then have to submit a business plan that goes into more detail about how they're going to operationalize their health link.

As a practical matter, they have to identify who would be the lead agency for pulling all this work together. We have six community health centres in the lead. We have 14 family health teams, one family health organization—so it does vary across the province in terms of who's the lead—and nine hospitals. We've got community care access centres in the lead and community service organizations.

Many of these patients have different kinds of complexity in their lives, so they're looking at including—we've seen mental health agencies, public health units, food banks, emergency medical service providers, education, community and social service providers, long-term-care facilities and, in some cases, the police, because of forensic mental health issues and conflicts with the law.

The partnerships are probably more than we had even expected at the beginning. We know that as of probably late October, there were 650 different organizations across the province engaged in organizing care for patients. When they convene a care plan, all the providers who are involved in the care of that individual come together to actually develop one plan. In some cases, that could be 10 different physicians sitting around the table with some community nursing, the CCAC and others, actually participating in the development of a unified care plan—which has been sort of the missing ingredient, I think, for those patients. They would say that they might have had a medical care plan from their leading specialist, but they wouldn't have had a comprehensive care plan that addresses their medical, functional and social needs. That's what this really brings together. It's a kind of graduated investment.

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I think you also asked about metrics, and I can go through some of those, if that would be helpful. Obviously, the first job that we've asked them to do is that all complex patients have a coordinated care plan. We do count. We will be counting the numbers of patients who are touched by this and who benefit from a plan. We've asked them to make sure that complex patients and seniors have regular and timely access to a primary-care provider, because, really, the role of primary care is so fundamental to the organization of care for these patients. We've put that in the sightline as an early metric that we want to see some movement on.

I think that, over time, we'll start to see some of the measures that are more about coordination, best practices and the hand-offs between providers. We're looking at, for these patients, reducing the time from primary-care referral to a specialist; reducing the number of 30-day readmissions to hospital, because some of those readmissions, as you know as a physician, are really about the quality of the hand-off and the discharge in the first place; the number of avoidable ED visits for patients who could be best managed elsewhere; the referral-to-home-care visit; and unnecessary admissions to hospital. It's metrics like those that, I think, we're going to see within a year or two, and then really looking at also making a measurable improvement in the patient experience of care and looking at some of the tougher ones around alternative level of care.

Ultimately, when you organize care better and provide high-quality care, we're looking at the overall value of the services provided. We think that we can actually reduce the average cost of delivering care to those patients without compromising quality, and are looking at developing more metrics around cost.

Ms. Helena Jaczek: Okay. I think, then, what I'm hearing is that there's no additional funding for these programs. Essentially, the billing is done in whatever way that particular group of professionals has always billed. Is that correct?

Ms. Helen Angus: There's a little core support for health links in terms of project management—to convene, basically, the case conferences and the development of the care plan. We know, for example, that in the cancer system that's a regular course of business around a multidisciplinary case conference. It requires a little bit of structure to make that happen, but it's actually a small injection of funds and the balance is really on having the providers work together, being compensated in their usual way for better organizing care around these patients.

Ms. Helena Jaczek: Does the patient know that they are part of health links?

Ms. Helen Angus: They do. We're starting, as they develop care plans, to see the benefits from the patient and hear their stories about how their care has been improved by the workaround that has been done in developing the care plan for them. There are different approaches in different parts of the province; we're going to learn from that. Some have a patient passport. They've been quite innovative in making sure the patient is both included in the development of the care plan but that they also know what their care plan is, that they are part of that. Their family members may also be part of it. They may have a physical document that helps them understand what their care plan is, but it's very patient-centred in terms of what their goals and objectives are, and I think that's one of the great features.

Ms. Helena Jaczek: So patient satisfaction is something that's going to be measured, I guess.

Ms. Helen Angus: Absolutely.

Hon. Deborah Matthews: And patients get a contact person who connects them to all of their providers. That

navigation function that we hear so much about is very much addressed. The question, "Does a patient know?": Absolutely, because nothing is happening in their plan of care without them fully understanding what's happening. It's really all about them, so they listen very carefully to what the issues are.

We've got one story of a frequent user of health care, and the issue, really, was bedbugs. I see Mr. Colle sitting there. It was bedbugs. Once that was dealt with, everything else went a lot more smoothly. Under the old system, I'm not sure where that person would have got that help. It would have been hugely frustrating.

Ms. Helena Jaczek: Mr. Chair, shall we—

The Chair (Mr. Michael Prue): Okay. I think this is an appropriate time, then, and you will have the balance of the time when we come back.

We now stand recessed until approximately 3:45 this afternoon, and we'll see everybody back. There is still birthday dessert for anybody who wants some.

We stand recessed.

The committee recessed from 1025 to 1548.

The Chair (Mr. Michael Prue): We will call the meeting back to order. The questioning is with the government. You have seven minutes remaining.

Ms. Helena Jaczek: Thank you, Chair. Minister, we were talking about the community health links program, and I'm sure as they recruit more and more individuals to those health links, a number of them will be seniors, given that seniors, as we know, often have complex issues and, as you've said, often are on many different medications, are sent to many specialists etc.

So you did announce a seniors' action plan, and much of that was based on Dr. Samir Sinha's report. There was a very large number of recommendations—I think something over 100 recommendations.

Hon. Deborah Matthews: One hundred and sixty-seven, I think.

Ms. Helena Jaczek: So could you just tell us how you and your staff have been going through those recommendations and some of the initiatives that you're following up on that come out of those recommendations?

Hon. Deborah Matthews: Absolutely. He travelled the province. He spoke to literally thousands of people. People could inform the strategy online. He was able to narrow it down to 167 recommendations. They were very much focused on wellness, prevention and coordination of care. He went beyond the traditional health sector supports and programs to include things like housing. You heard me talk about bedbugs earlier. Transportation is a big issue. When our seniors can't get to the appointments that they're told they should go to, they don't go. So his report was visionary. It was ground-breaking. It was all-encompassing, and we are moving forward on implementing.

One of the things he said is that every senior should have a primary care provider. That should go without saying. Just like we did with people with diabetes, we've said, "If you have diabetes and you don't have a primary care doctor and you want one, we're going to get you

one." So now we're at 100% when it comes to people with diabetes.

We need to now turn our attention to seniors and make sure that they have that primary care provider who will coordinate their care. We very much see a strengthened role for primary care providers. Sometimes they tell me they feel on the periphery of the system as opposed to one person responsible for coordinating care.

Dr. Sinha talked a lot—and this is related also to the Home First philosophy. What we now know is that if seniors have an event—if they have a stroke or they have a fall and there's something that puts them in the hospital—decisions are made about their capability of returning home prematurely. It has been in the hospital when people are still recovering where the doctor is saying, "You can't go home anymore." Now what's happening is, they're saying, "You can go home. You're going to need intensive supports. See how you're doing and then we'll make a decision in a few weeks about whether or not you can stay home."

He saw a role for long-term-care homes. It's not well known that there are actually hundreds of vacancies in long-term-care homes, but they're not where people choose to go often, whether it's the geography or whatever the reason is. So he saw a way to use long-term-care homes as a way to take people out of the hospital, when they're not ready to go home but they don't have to stay in acute care, bring them into the long-term-care home, give them those activation supports they need and then they can often move back home. Sometimes they can't go back home, but often they can.

We added 250 short-stay beds, where people would come in for a number of weeks usually and then often carry on home. We had some of those. We've significantly expanded. I think the number is that 7,000 people last year who benefited from those short-stay beds. Again, it's all about doing that assessment and providing supports that get people stronger and to go home if they can. He very much talked about the continuum of care: supporting out-of-hospital care via hospices or supportive housing and so on.

He did talk about the increasing challenge around behaviour for people with dementia. We visited Bloomington. We know that people with dementia present real challenges to staff, and they need to be trained to deal with them well. We're seeing wonderful, wonderful stories that are coming out of Behavioural Supports Ontario. When staff and caregivers are trained, it's a different way of thinking about people, because people with advanced dementia don't respond the way other people do to various stimuli. If you can understand, sort of get inside their head, and provide the right supports for them—we've seen what I almost think of as miracles; people who were having really difficult times that had an impact on other residents and staff are now, because someone has taken the time to understand them, contributing members of the long-term-care community.

There were a range of recommendations, and we are implementing as we can. Maybe the deputy would care to add to that.

Mr. Saïd Rafi: Sure, certainly. I think there has been actually significant progress against the 167 recommendations, the bulk of those being health related, some being for seniors. The Seniors' Secretariat is moving on some of them with respect to senior-friendly communities, which more and more, from a planning point of view, we're seeing as a key interest in communities and municipalities around the province. House calls: I think we're seeing about 30,000 more of those taking place, which is a terrific response by the OMA's family physician section. The health link piece we talked about, and as you already mentioned, that's going to benefit a lot of seniors for certain. An additional 200,000 seniors are receiving improved physiotherapy services, who, as we heard throughout the discussions over the last few days, were not receiving effective treatment for true physiotherapy, falls prevention. I would say that there's the convalescent or short—

The Chair (Mr. Michael Prue): I'm going to have to stop you there. The 20 minutes is up, so hold on and ask the question again.

Mr. Saïd Rafi: Sorry. Thank you.

The Chair (Mr. Michael Prue): We are now into the last round of 20-minute rotation, starting with the Conservatives.

Mr. Steve Clark: Good afternoon, Minister.

Hon. Deborah Matthews: Good afternoon.

Mr. Steve Clark: Minister, on October 29, I think it was, I asked you a couple of questions—I actually didn't ask you a few questions. I made a statement, using the Chair's word, when I started talking about a couple of my constituents who had Ehlers-Danlos syndrome, or EDS.

Hon. Deborah Matthews: Yes.

Mr. Steve Clark: Over the weekend—in fact I'm looking at the date now, November 2—Hugh Adami in the Ottawa Citizen wrote about an Ottawa resident, Adam Gard, who also has EDS. I don't know Mr. Gard or his wife, Ruth, or his two boys. All I know of them is what I've read here in this Ottawa Citizen story. I'm going to get to the dollar figure that the ministry has released as what they've covered in terms of out-of-country coverage in a moment. But earlier in the story, there was a reference to our health system lacking EDS resources. I know you and I spoke about a year ago on a conference call about my two constituents Charlie Smith and Jessica Covey. There was a neurologist in this story, Minister, who indicated that Ontario's health system lacks EDS resources. Do you agree with that?

Hon. Deborah Matthews: Well, I could tell you that I have looked into this because there have been stories that have come forward where people are requesting out-of-country coverage. We have a very robust out-of-country program. I think 91% of applications to out-of-country are approved. So we're not stingy when it comes to out-of-country.

We do, though, have pretty clear criteria that if care cannot be provided in a timely way in Ontario, we then consider out-of-country, but if there is care available here, then we do not fund out-of-country. With this

particular disease, it's almost how it's framed in the sense that we have doctors, I believe, at—I think I saw the list of 11 hospitals.

Mr. Steve Clark: Yes, and it does say, Minister, in the story—I'll quote the story: "But the health ministry says neurosurgery 'to stabilize joints in the neck' is available at 11 hospitals in the province, including The Ottawa Hospital." What I found strange, because I remember the conversation that we had back in November, where you said it was almost impossible—because I asked you. I said, "Can you give me a list of neurosurgeons that perform this surgery?" And you said, "The college doesn't do that," and you were unable to give me a list as the minister. And I find it strange that you can't get me a list of neurosurgeons, but you can give me a list of 11 hospitals that perform the surgery. I don't really get that. Is there a problem in you providing the complete list of the 11 hospitals that give EDS surgery?

1600

Hon. Deborah Matthews: I'll happily read it into the record right now.

Mr. Steve Clark: Good.

Hon. Deborah Matthews: Hamilton Health Sciences, Health Sciences North, Hospital for Sick Children, Hôtel-Dieu Grace, St. Joseph's in Toronto, London Health Sciences Centre, the university hospital in Ottawa, St. Michael's Hospital in Toronto, Sunnybrook here in Toronto, Thunder Bay Regional Health Sciences, Trillium Health Centre in Mississauga and UHN here in Toronto. That procedure is done—that particular stabilization of joints—in those hospitals.

I think the other thing is—because EDS is a complicated disease, so it's not just surgeons people need. They need rheumatologists, pediatricians, pain specialists, neurosurgeons, psychologists, physiotherapists and occupational therapists. Patients with EDS receive services for chronic pain, including physician specialists and interdisciplinary providers at various clinics in the province, including SickKids and Mount Sinai.

As I say, the out-of-country program is there for people when there is not expertise here. When there is expertise here, we do not fund people to go out of country. I just want to say that I understand, because if I were a parent with a child with EDS, I would do a lot of research online. That's of course what patients do, and we are finding that there are providers, in the States, in particular, who kind of package their expertise in a way that Ontario hospitals and physicians don't.

Mr. Steve Clark: Yes, and certainly, when I speak to people from the EDS community, they do mention Dr. Henderson from Baltimore as someone who has done 200 procedures.

I appreciate you indicating the hospitals that do the operation to stabilize joints in the neck. Again, I would like to hear, at some point, an answer on how many EDS surgeries were done to stabilize joints in the neck, because I understand that the procedure can be done for a variety of purposes, not just EDS.

Hon. Deborah Matthews: Exactly.

Mr. Steve Clark: So if you could provide me, at some point, the number of EDS versus non-EDS surgeries?

Hon. Deborah Matthews: I'm not sure—we'll see what we have, but I'm not sure we captured diagnosis. We do capture the procedure.

Mr. Steve Clark: Okay. In the story, it mentions that a Ministry of Health official has indicated that you paid almost \$930,000 for out-of-country EDS surgeries in 2011-12. That was the figure your ministry has released. That would have been entirely approved under the old system, where it was a GP, not a specialist, that approved those surgeries. Is that correct?

Hon. Deborah Matthews: You know, you really have me at a disadvantage. I don't have the article, so it might be helpful to—

Mr. Steve Clark: There's nothing that you don't already know from the article, other than the fact that it says that \$930,000 was approved.

Hon. Deborah Matthews: So if a ministry spokesperson said that—but things change, right? Every application is reviewed; as I said, over 90% get approved. So it's hard for me to know on a case-by-case basis—

Mr. Steve Clark: All I'm saying, Minister, is that you seem to have some documents there about EDS, and I would love to get a copy of them. You quoted from them, and I will provide you with the article from the Ottawa Citizen in reverse, but I would love to get the documents that you're quoting from, because I think it's very important. This was a surprise number in the Ottawa Citizen to the EDS community. They were unaware that \$930,000 had been covered for out-of-country EDS surgeries. This was a surprise. I would love to see, in 2012-13, how many dollars have been spent out of country. My worry is, it's been zero because of the change in your policy.

Hon. Deborah Matthews: I just want to be really clear about the change in policy. The only change is that we require a referral from a specialist. It's unrealistic to expect family doctors to know what expertise is available here in the province. The specialists do have a better sense of what's available, so we now accept applications from specialists.

Mr. Steve Clark: But Minister, I want to put on the record—

The Chair (Mr. Michael Prue): I don't want to interfere, but we need to be clear here for the record. You are asking the minister for documents in her possession at this time today.

Mr. Steve Clark: She was quoting from them, yes.

The Chair (Mr. Michael Prue): All right.

Mr. Steve Clark: I would like them, yes.

The Chair (Mr. Michael Prue): Okay.

Mr. Steve Clark: And I will give her and give members of the committee—

The Chair (Mr. Michael Prue): I haven't heard yet that the minister can provide those.

Hon. Deborah Matthews: We'll do our best.

The Chair (Mr. Michael Prue): All right. Thank you.

Mr. Steve Clark: I just want to clarify again: This article—and you can confirm whether the numbers are correct or not. This article quotes a ministry official saying that \$930,000 of out-of-country EDS surgeries occurred in 2011-12. That was the statement. My question to you is: Was all of that \$930,000 approved prior to your change in out-of-country approvals?

Hon. Deborah Matthews: I will look into that. I think it's also important to point out that a child with EDS would require a number of procedures, not just one procedure.

Mr. Steve Clark: I am aware that in some cases that happens.

Hon. Deborah Matthews: Yes.

Mr. Steve Clark: The other issue I would like—those were the numbers for 2011-12. I would also like figures—because, again, I'm worried that it's zero dollars. I would like to know the amount paid in 2012-13 for out-of-country EDS surgeries as well.

Hon. Deborah Matthews: We will do our best, if we can get those numbers for you.

Mr. Steve Clark: I hope you can get the numbers because, obviously, your ministry was able to get the \$930,000. Obviously they were able to get the 11 hospitals. It was pretty easy for you to read into the record. I'm just saying, again: There seems to be a big gap in the documents from before the policy change to after the policy change.

Hon. Deborah Matthews: I would suggest that there might be other factors. I don't know what the 2012-13 numbers are. It could be that a doctor has moved here or doctors here have built up their expertise. If there are a lot of factors other than requiring a specialist as opposed to a GP—

Mr. Steve Clark: Minister, I would love if that's the case. If there was a new doctor who could serve EDS patients, I would love to find out who that doctor is.

Hon. Deborah Matthews: Okay. We will undertake to get you this information—

Mr. Steve Clark: But my final comment, before I defer to Mr. Leone—and this is to back up my statement from the 29th; I'll make it again. This story underlines that this family has to raise \$70,000. Again, it just, to me, speaks to your change in out-of-country coverage, that more and more families have to raise money because of changes that you've made in the health system.

Hon. Deborah Matthews: I can't let that comment go.

Mr. Steve Clark: I'm not asking for a comment; I just said that I'm making a statement.

Hon. Deborah Matthews: You've made an assertion, and I would argue that the change we made is actually streamlining the system because specialists have a much better sense of what other options are available for people here in Ontario and what's available outside the country.

Mr. Steve Clark: But Minister, people are raising funds because the system won't serve them, and that's a concern.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: I'm just going to piggyback on the back of that, Minister. A question I had as that whole discussion was unfolding was: Does the ministry track how many services that are provided out of the province, whether it's another province or in the United States, that the government pays for versus how many surgeries and things take place that come out of the pocket of the individuals? Does the ministry track what's going on with particular patients when they—

Hon. Deborah Matthews: We definitely track what we cover, and we've had a concerted effort to reduce out-of-country by providing more services here. For example, we're opening an eating disorder clinic so that people don't have to go to the States for that treatment. We are really looking at out-of-country because it's more expensive and you don't get the continuity of care that you do if you have a provider here. We want to provide care here whenever possible. But there are some times when the expertise is so narrow, so specialized, that we don't have someone here who can do it comfortably within their scope of practice. We know who we fund, and, as I say, 91% of applications are funded. I don't know how we track the remaining 9%.

Mr. Rob Leone: It was out of curiosity. I didn't really know if you tracked both expenses paid by the government and paid by the individuals themselves.

Hon. Deborah Matthews: We would know only if they applied and were rejected.

Mr. Rob Leone: Okay.

Hon. Deborah Matthews: And we wouldn't maybe know whether they used an Ontario provider or not.

Mr. Rob Leone: It has always been one of those lingering questions, because you hear lots of stories of folks, like Mr. Clark had outlined, who are raising funds or paying out of pocket for particular services out of the province. I've always wondered what that number would be, that discrepancy.

Minister, I want to change tack just a little bit here and talk about LHINs.

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Hon. Deborah Matthews: LHINs, yes.

Mr. Rob Leone: Now, my first question may be a simple one and maybe not. I think in my mind it's simple, but I'm awaiting your answer. Can you give me a sense of what the role of the LHIN is versus what the role of the Ministry of Health is?

Hon. Deborah Matthews: Absolutely. The role of the LHIN is to manage the integration and coordination of the health system within the boundaries of the LHIN. I'll give you a good example. In my LHIN, the South West LHIN, we had wait times that were far too high in some hospitals, but very, very low and excess capacity in other hospitals. So what the LHIN did was it went to work, and it worked with primary care providers, working with them to refer patients to those hospitals with the shortest wait time, so London Health Sciences could do the more complicated cases and other hospitals could do the less complicated cases. So, instead of sending someone from Kincardine to London, they could go to Owen Sound.

We've seen a real success in evening out those wait times by managing the system. You couldn't do that if every hospital was managing their own volumes, so it's forcing hospitals and other providers to work together.

Mr. Rob Leone: So the Ministry of Health, in that whole scheme, does what exactly?

Hon. Deborah Matthews: We set targets, so when it comes to wait times, we've got provincial targets, and we allocate funding based on wait times, to bring down wait times when they're too high, and we hold the LHINs to account when it comes to getting those wait times down, not just within the LHIN but at hospitals within the LHIN.

That's just one small example of what LHINs do, but it's a coordinating function. They're doing great work getting home care, working with hospitals, so there's a much smoother transition from those different—I hate to use the word “silos,” but I will—those different providers really working on strengthening the transitions of care.

Mr. Rob Leone: Right. So when an organization receives funding for providing a health care service—let's use maybe reduction of wait times or a community care scenario that I can't just think of off the top of my head—who makes the decision whether community organization A over community organization B gets the money? Is it the LHIN, or is it the Ministry of Health?

Hon. Deborah Matthews: We set the targets. We say, “Here's what we want you to achieve,” so as we've increased funding to the community sector and held the line on other parts of the health care system, we've been very clear with the LHINs. We want to reduce ALC rates—alternate level of care, people in hospital who could go, should go, elsewhere. We want to see reduced 30-day readmission rates. So we set the outcomes that we want, and then they, with their local knowledge, make decisions about where the money would go to achieve those outcomes.

Mr. Rob Leone: So those decisions on which organization is going to carry out a function, then, are made by the local health integration network of that area, whether it's South West or Waterloo Wellington?

Hon. Deborah Matthews: Yes.

Mr. Rob Leone: So the contract is essentially with the LHIN, not with the Ministry of Health. Is that true?

Mr. Saâd Rafi: Well, would have an accountability agreement. So, for example, with a community agency or a hospital, they would have an accountability agreement. If I could use a specific example, I would use the wait time money from first assessment to first visit by a nurse or a PSW. That was a specific strategy set to get the wait times down to five days, and so for nursing, for example, we knew which LHINs were at or about five days. So that was sort of, I would say, directed.

However, the remaining half, almost, of the funds that were allocated out of the government's budget, the LHINs have worked with CCACs to determine how best to disburse that money to deal with the increased volume of community services.

So it's not always linear in terms of, hand the money over, and they make the decision; mostly it is for the \$24 billion that they have oversight on. They do that through accountability agreements, in some cases through MOUs, working with long-term-care homes, hospitals, community services and CCACs.

Mr. Rob Leone: One of the reasons why I'm asking this question is because I was a little confused, because every time I get a letter from your ministry, Minister, it's always about congratulating X organization for getting X number of dollars to perform a particular service. Now, that decision was not made by the ministry; it was made by the local health integration network. Is that the way it works?

Hon. Deborah Matthews: I'd have to see what letters you're referring to.

Mr. Rob Leone: I don't have any on me, but I know in my binder there are usually two or three in a given week that say—you know.

Hon. Deborah Matthews: It might be wait-time funding for the Cambridge Memorial Hospital.

Mr. Saâd Rafi: So \$24 billion would be under the aegis of the LHINs' planning and accountability money. That still leaves approximately \$25 billion in the areas of physicians; certain nurse expenditures; assistive devices; the drug program; provincial programs, which would be about cardiac, cancer, neurosurgery; community labs; and family health teams. So there's another, literally, little more than half of spending that the ministry is also dealing with, so it could be one of many different sources of funds out of the \$49 billion that would go out.

Mr. Rob Leone: Okay, well, that actually provides a lot of clarity.

The Chair (Mr. Michael Prue): Last minute.

Mr. Rob Leone: Minister, I get a lot of these letters that state that some organizations are getting money or some group is getting money for services provided, but I never have any letters from you stating that money has been no longer continued, or we're not going to continue funding particular programs. So why do you give the letters on the one hand saying that organizations are going to get money, but I never see letters from you saying that funding has been discontinued for whatever reason? Money is discontinued, but I never get a letter from you. Why would that be?

Hon. Deborah Matthews: I would suggest you sit down with the LHIN if it's a LHIN program, because they have had to make decisions where some organizations either see a reduction in their funding or are flatlined in funding while others get more because they are shifting resources around. We're very focused on evidence, and if we can see demonstrated results from organizations in an area where we need to do more, we'll do that.

The Chair (Mr. Michael Prue): I'm going to have to stop you there. I don't think I was clear the last time. This is the last 20-minute round, but there is a 10-minute round for each party after that. So your last 20-minute round, Ms. Gélinas.

M^{me} France Gélinas: All right.

Hon. Deborah Matthews: You can make it?

M^{me} France Gélinas: I have no idea. It can only improve. Sorry. Yes, it hurts.

Hon. Deborah Matthews: Do you want to just write out your questions?

M^{me} France Gélinas: The healthy home renovation tax credit—it's coming back. Healthy home renovation tax credit: How many people? How much money?

Mr. Saâd Rafi: It's administered through finance, so I'll have to get you that. I'm sorry, I don't know.

M^{me} France Gélinas: Okay. I'm curious to see, does the ministry invest any money in research and continuing education or in technology specifically for home care?

Hon. Deborah Matthews: Yes. In fact, we have some pretty exciting projects that are opening up. We put out an RFP to learn more about home care and long-term care, and we had a number of proponents come forward. I think Schlegel and—

Mr. Saâd Rafi: Bruyère and Baycrest.

Hon. Deborah Matthews: —Bruyère and Baycrest were the three successful proponents for knowledge transfer research. So it's about getting better at delivering services so that people are healthier. We can get you more details on those projects. They also involve a training component. At Schlegel, for example, they'll have students from the college and the university doing co-ops and learning on the job.

M^{me} France Gélinas: Can I have the dollar amount? How much do we spend?

Hon. Deborah Matthews: Yes. Specifically on home care and long-term care?

M^{me} France Gélinas: No, just home care. It's coming back. This section will all be on home care, so any money we invest in research, in continuing education and in technology, specifically for the home care sector.

Hon. Deborah Matthews: The other thing, when it comes to research, is that we recently pooled a lot of our research money and we went to the sector, the research communities, and said, "These are the problems we're trying to solve. Can your research help us solve these problems?" And we've been able to allocate research projects that very much are applied—some of them apply to home care, I believe.

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M^{me} France Gélinas: Okay, and for the three sites that you have selected: None of them are in the north; certainly none of them are in the northeast. Is there a chance that there will be an expansion of those so that, rather than three, we have four and we include the northeast?

Mr. Saâd Rafi: Yes. That was done through a competitive approach. They're meant to be pilots. They are examining everything from independent living right through to palliative care in a campus environment. The idea was to find whatever nodes qualified in terms of proposals that came forward. We would have selected those. We would have selected nine, if nine qualified. We had three that qualified. It's a pilot project. If we can do

more of that, then that would be another community solution that could be rolled out to other parts of the province. But at the time, that's the response we received.

M^{me} France Gélinas: Okay. How much money has been spent so far on the PSW registry?

Mr. Saïd Rafi: I don't know.

Hon. Deborah Matthews: We will see if we can find that answer for you.

Mr. Saïd Rafi: The registry itself has not really been a huge cost driver. Really, we've been spending our time working with the OCSA, as well as others—and create a steering committee—to determine what would be the criteria and who would house and administer the registry.

We have a transfer payment agreement with OCSA for the 2013-14 fiscal year. My notes indicate here that we have provided \$1.07 million to OCSA to maintain and house and administer the PSW registry. As of, let's say, early September in this calendar year, there had been some 32,000-plus PSWs who've applied to register with the registry across all sectors, and 23,000 have been registered.

M^{me} France Gélinas: Is the goal of the registry that it be self-funded?

Mr. Saïd Rafi: I don't know the answer to that. I'm not certain how to necessarily self-fund it, because that would require asking the PSW who participates in it to somehow make some contribution. I don't believe that to be the objective, but rather to help employers and PSWs make connections, as you know, with employment opportunities, because sometimes they can't get completely a full-time work experience.

M^{me} France Gélinas: Okay. How would I find out how much money is being spent in therapy, in nursing and in PSW in home care? Do you know how much we spend?

Mr. Saïd Rafi: I think we know; I do not. But I think we can break that down by PT, OT, and PSW nursing by LHIN for home care. Is that what you're looking for?

M^{me} France Gélinas: That would be perfect. Not as good as getting my voice back, but very good.

You made a 4% increase in the budget for community care. How can I track—where did the money go? Did it all go to CCAC-funded contracts? Did some of it go directly to community-based agencies that get funded by the LHIN? How can I follow that money?

Hon. Deborah Matthews: The community and home care sector: I'll let the deputy find the note, but it includes both home care and community sector, and we do have—

Mr. Saïd Rafi: Yes, so \$15 million of the \$260 million is going towards wait times for nursing, complex patients, to get to a five-day wait time for nursing services; \$60 million is going to wait times for complex clients requiring personal support services to get to a five-day wait. I think we talked earlier that it's skewed that way because the waits are higher for PSW. That's \$75 million; \$110 million is given to the LHIN and CCACs, as we were talking earlier, to deal with general increase in demand for services of the 623,000 clients

who receive home care services today. That is \$185 million. Now, I have to remember what the remaining \$75 million is going towards.

Hon. Deborah Matthews: Community supports.

Mr. Saïd Rafi: Ah. Community support services. I will get you what that specific amount—

Hon. Deborah Matthews: Those are things like day programs for people with dementia, a range of community supports designed to provide caregivers a range of initiatives to achieve the outcomes that we give to the LHIN.

Mr. Saïd Rafi: Thank you, Minister.

Hon. Deborah Matthews: You're welcome, Deputy.

M^{me} France Gélinas: So you had already given me the 2015-16—

Mr. Saïd Rafi: Yes.

M^{me} France Gélinas: The money doesn't drill down any more than that. This is—

Mr. Saïd Rafi: Oh, no. We can get you that by CCAC or LHIN—same boundaries.

M^{me} France Gélinas: Okay. Thank you. There's been a lot said about the growth in the number of staff in CCACs as well as the growth in the number of clients served. Do you ever keep track of some kind of a ratio between the two?

Hon. Deborah Matthews: What I can tell you is that since 2003, we've increased the number of people getting home care supports by 200,000. We're now at 637,000. We were just over 400,000 and now we're at over 600,000 people getting care through CCACs. Their budget has increased by 92%, so that's \$1 billion more we're spending now in home care than we were just 10 years ago.

When it comes to—and I know you're getting to the management, what percentage is management. There's a real difference of opinion on this that I think—if people actually sat down and understood what we were talking about, we'd see about 9% of the budget goes to administration and 91% to the front lines, including care coordinators. I think anyone who diminishes the importance of the care coordinator does not understand how important they are in providing the care that people need in their homes.

M^{me} France Gélinas: When we see statistics being quoted that say the cost of home care is so much per day or so much per patient, what is included in those stats?

Mr. Saïd Rafi: It's sort of akin to the per diem—and by the way, the 2% is on nursing and supports in the per diem for long-term care. You were asking about that. I may have not answered that previous question correctly.

But now back to your question: It's based on the fact that a CMI of 100 in long-term care equals \$158 per day, and then you adjust the CMI on average for the home at the end of the year, which could—maybe not ideal, but that's the methodology. I think you heard from Richard Joly when were here in the public accounts committee on the long-term-care home Auditor General chapter that the acuity or the RAI indicator is sort of a baseline, and then one has to adjust based on acuity or the complexity of

need, just like the wait-lists tend to adjust as well because of the complexity of client.

I'm always loath to talk about either money per individual or amount of care by FTE per individual in home care because that doesn't tell the full story of assessment of need and services matched to need as opposed to—the suggestion that it might leave is that it's a cookie cutter or average, and once you expend the average one is done. We're really trying to move away from that kind of a model or methodology.

M^{me} France Gélinas: Okay. Well, I think exactly the way you do, but then I don't understand why we are moving in home care toward—you know, you get so much money for wound care.

Hon. Deborah Matthews: Or for bundled payments.

M^{me} France Gélinas: Yes.

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Hon. Deborah Matthews: Because the evidence is pretty good on this, and we're still learning. I think it's fair to say we're still learning. But the wound-care people would say that proper wound care—they really watch the evidence on this a lot. They can heal wounds more quickly if there's a real focus on that wound care. So you could have somebody going to change dressings every four days for weeks on end and the wound doesn't improve, but if we have bundled care—“This is what we're paying for this kind of wound”—then they can figure out the best way to get that person healed as quickly as possible.

Mr. Saâd Rafi: Can I give you another example? With stroke patients, what we see, whether it's—I'm going to botch these terms—hemorrhagic or ischemic stroke, if certain tests are not performed, then a proper diagnosis isn't necessarily given. The length of stay of that individual in that hospital is almost double what it should be for the best-practice length of stay. I think for hemorrhagic it's 14 versus seven days, and for ischemic it's 12 versus five days.

The evidence that we're trying to get across is to say, “We will pay, but we will actually want you to do more procedures. We need testing, and we'll pay for more procedures because it reduces length of stay. By reducing length of stay, it reduces overall cost, but it's also a better outcome.” That model, applied to either a bundled-payment model or a bundled-care model, is what we're also trying to do in the community.

You can apply that to outpatient knee replacement rehabilitation or you can apply it to all manners of other things. That's what we're doing in quality-based procedures as well.

M^{me} France Gélinas: So can I expect more of those clinical pathway payments to come down?

Mr. Saâd Rafi: Yes. That's part of our health system funding reform. We're just starting with home care and CCACs. Only, I think, 5% this fiscal year will be applied in that regard. A multitude of expert panels must be struck, with higher representation from community care providers, to help us determine, in a very complex environment which you know well, how to do that in a

bundled-care or in a pathway model of care so that we can get better value for money being expended.

M^{me} France Gélinas: Bundled care or pathways: Do they mean the same thing money-wise?

Mr. Saâd Rafi: The methodology? I think, effectively, yes. The lexicon varies. Other people like to use the bundled-payment terminology. My own preference would be “bundled care.” It's about the care first, because “bundled payment” suggests that we're trying to squeeze down the spending. Actually, we're trying to right-size the spending in some cases, and a stroke would be a good example.

M^{me} France Gélinas: I used to keep track of how many contracts were out there in home care. It's becoming really hard to find that information. Can I ask if you guys know how many contracts and who has those contracts for home care services?

Hon. Deborah Matthews: Every CCAC would have that information.

M^{me} France Gélinas: They don't share that.

Hon. Deborah Matthews: Let's see what we can find.

Mr. Saâd Rafi: Yes, we'll have to find out if we can get that. It will be a fair bit of work to assemble, but we will ask the CCACs. I don't believe we keep a running tab. I think they're monitoring the performance of those contractors quite closely these days as well.

M^{me} France Gélinas: So if half of the contracts throughout the province were with one single for-profit company, you wouldn't know?

Mr. Saâd Rafi: Would we be aware that that was the case? Probably. I guess that we can debate for some time whether that's a good or a bad thing.

M^{me} France Gélinas: I agree.

Hon. Deborah Matthews: We did change, fairly recently, the competitive procurement process to managed contracts, I think we call them.

Mr. Saâd Rafi: Yes.

Hon. Deborah Matthews: There was a time when a contract would come up and companies would bid on that work. If they lost the contract, they would have to fire all their staff. It was very disruptive for patients and for the staff. We've now changed how we do that, so if a home-care company or organization is providing high-quality care and they're doing a good job, they can manage that contract to continue doing that work. That was a change of policy, because we thought it was better for the clients and absolutely better for staff.

Mr. Saâd Rafi: And we would know, just like in long-term care, when we're transferring, let's say, the running of a home because one provider decided that they can't continue or they have not met compliance, our staff would be aware of the relative breakdown, concentration of ownership. We would look to neighbouring providers to understand that community and ask them to step in to manage a contract until another procurement process could be undertaken—in long-term care, for example. I would imagine the same would be done in home care, per the minister's comments.

The Chair (Mr. Michael Prue): Less than a minute left.

M^{me} France Gélinas: Okay. Did you do any studies to see whether the needed future supply of professionals, specifically for home care—and are those studies available anywhere?

Hon. Deborah Matthews: I believe HealthForce-Ontario looks at our HR within health care. The PSW registry is going to be very helpful in helping us understand who PSWs are, how old they are and how we need to project when they are likely to retire.

This is one of those issues that does keep me awake at night, because we need to make sure as we expand home care—it's not just maintaining the supply of personal support workers; it's actually increasing the supply. So this is very much an area of focus.

Mr. Saïd Rafi: Plus we're also working with OCSA and a couple of other associations that represent what I will call the smaller community agencies to help them with their capacity to take on this funding, their ability to receive funds to provide additional services, because there has been, over the last five or six years, a shift in that funding. They've asked for that, and we're working together to try to assist.

The Chair (Mr. Michael Prue): Okay, wrap it up.

Hon. Deborah Matthews: That was actually one of Dr. Sinha's recommendations, I believe: that we allow these community service organizations to hire PSWs to provide a moderate level of care.

The Chair (Mr. Michael Prue): I'm going to cut you off there. You have half an hour to rest your voice. Twenty minutes now to the government. Mr. Colle?

Mr. Mike Colle: Thank you, Mr. Chair. Minister, I want to ask about some subjects of interest in the community. The first one I want to ask about is the community health centres.

Hon. Deborah Matthews: Yes?

Mr. Mike Colle: I deal with four of them in the general area that I represent. What is happening is that there was an expansion program for a while, and I'm just wondering: Is there going to be continued expansion of community health centres throughout the province or in certain areas of the province? What is the status of the future of community health centres?

Hon. Deborah Matthews: Community health centres play a very, very important role. In large urban centres, they tend to deal with people who face barriers to accessing health care; in rural Ontario, they may look like any other family health team or clinic, but we really believe—I really believe—in that CHC model, particularly for people with complex needs.

It was George Smitherman who announced the greatest expansion ever in community health centres. I think we went from 57 to now 101 sites. I could have that wrong, but that's the magnitude of the expansion. They are doing a terrific job.

We don't have any plans right now to open more CHCs, but as our supply of those primary care providers is stabilizing a bit in most parts of the province, we are

not seeing the kind of shortage we used to have. We are looking at the various models; whether it's family health teams, nurse practitioners, clinics or community health centres, there is a variety of models.

I would say the worst is behind us in terms of getting access to primary care, but there's still more work to do. As we identify those areas—and the LHINs are now really giving very good guidance on where there are pockets of underserved areas when it comes to primary care. As that work is done through the primary care leads in each of the LHINs, we will be making decisions about whether we need to have a further expansion of those models or other models.

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Mr. Mike Colle: In one of my community health centres, the Anne Johnston health centre, there are, I think, three nurse practitioners. Then I have St. Clair West Services for Seniors; it has opened up, I think, a family health team with three nurse practitioners. I'm just trying to find out, and I guess you answered part of it: Is that going to be the trend, that there are going to be more of these family health teams with nurse practitioners and dietitians, little hubs as opposed to the community health centres? I think what they do is really take the pressure off of emergency and hospitals. I think they're saving a lot of money, because some of the people who go there—not all—have chronic problems. They've got psychological problems, problems with poverty, problems with abuse etc.

I'm just wondering whether or not there might be a model—a hybrid between the nurse practitioner-led—

Hon. Deborah Matthews: Clinics.

Mr. Mike Colle:—health teams, clinics and the community health centres. You don't have to have a big, huge building; the community health centres are usually in older buildings, but you could have smaller, little hubs that provide those core services.

Hon. Deborah Matthews: Yes, absolutely. When I talk about the expansion of community health centres, a good number of those are actually satellite sites. We've had a terrific expansion in nurse practitioners' scope of practice and in the number of nurse practitioners working in the province. I can tell you that when I meet with other health ministers, they want our nurse practitioners because they really see the value of nurse practitioners in the health care system. Nurse practitioners have a broad scope themselves, but they also work with consulting physicians, so if they've got someone presenting who needs care that's beyond their scope, they can easily refer to that physician.

Our community health centres have salaried physicians and other allied health professionals. The family health team model is a capitation model. Physicians are paid by the number of people they care for and the age and health of those people, and we fund the allied health professionals.

Nurse practitioner-led clinics are obviously led by nurse practitioners, but they also have other allied health professionals as well. These are innovative. Community

health centres have been around for a while, but family health teams have just been in the last decade, and nurse practitioner-led clinics are even more recent than that.

Mr. Mike Colle: Just to switch—sorry to be so abrupt, but the next thing I want to talk about is mental health treatment for young adults. I have met with the parliamentary assistant about this issue because there seems to be a dearth of residential facilities for young adults who have mental health issues. The only option for them, in many cases, if they need residential treatment, is to go to the United States, which is extremely expensive. I'm just wondering, as part of the new initiative on mental health, especially starting with youth, whether or not there is any plan to have any kind of residential health centres or an availability of beds in Ontario for young adults who suffer from eating disorders or associated mental health issues, where they have no success treating it with—because it seems to be, with the advocates I've talked to, that what they get mostly is a lot of medication, and the medication doesn't solve anything.

Therefore, the next step, if they've got money, is to go to the States. Then they go to the States; I've heard cases where they spend hundreds of thousands of dollars to no effect, and so they come back here.

Wouldn't it be wiser for us to maybe establish some beds for these young adults, especially, who suffer from these mental health issues here in Ontario? Wouldn't it save money, rather than families having to go to the States or providing them with all these pharmaceuticals that, in most cases, don't solve anything? From what I'm told as a layperson, they seem to mask things. I just wanted your comments on residential treatment centres for young adults.

Hon. Deborah Matthews: You're absolutely right, and I think we all know that mental health has been undervalued in the past. I think that is really changing rapidly.

When it comes to sending people out of country, we watch very carefully where people are being sent, and we know if we see higher numbers of people being sent out of country that that tells us we need to build capacity here. We are, in fact, building a residential treatment centre for people with eating disorders. That is actually happening in London, so I'm watching that very closely.

Not only is it more expensive to send people away, as I was saying earlier, but they don't have that continuity of care. When something like mental health—you know, you can't just go away and expect to be cured and come back all better. It doesn't work that way. You need to have the continuity of care. The follow-up care after that intensive residential treatment is really important.

As we're building our year-four-plus—and you're right to talk to the parliamentary assistant, because she's the lead on the next phase of the mental health and addictions strategy—that capacity within Ontario is something that we're focusing on.

Mr. Mike Colle: Isn't it possible, rather than the government doing it by itself, to maybe partner with a non-profit agency or provider that's already out there, in

association with a hospital—I know that Toronto General does work with young people with eating disorders etc. Isn't it possible to look at maybe setting up a couple of pilot projects in different parts of the province—they don't have to be big—to basically give the young people an opportunity to get some residential treatment? Or even day treatment; they could get treatment during the day and they could go home at night, but at least they're getting some kind of comprehensive supervision here.

My fear is that the system is so complex and the ministry is trying its best to deal with 1,001 issues that in this area of mental health for young adults—I'm just wondering whether we could try to put some resources into some partnerships in two or three locations in Ontario where an existing agency would partner with the ministry to essentially provide this residential care.

I've talked to people who are willing to raise money and to get involved in this type of advocacy because they've seen their own daughters, their own sons go through this horrendous mental health trauma, and all is left—you've seen it yourself. I had a friend who was in Northwestern hospital, which is just outside my riding. There's a mental health, psychiatric ward. There are children as young as 10 years of age in it. Believe me, I wouldn't want my children or grandchildren to be in that place, nor would I want—I mean, they try their best and they try all this medication. Do you know what they're still using? They're still using shock treatment. This one person I was visiting—the only thing that helped him get through his severe depression is shock. I've mention that to people and they say, "This was something we used 100 years ago. They're still using shock treatment in Ontario?" But the doctor told me it works. There's sort of a refined process of using shock treatments.

The reality of seeing people in these conditions in these hospitals or in these care facilities is quite frightening, and that's why I'm glad that we're bringing this out into the open finally. I think we've got to start to maybe look at these smaller models and to get help to people when they're younger so they won't get into this chronic depression that lasts for years and years.

I started to extrapolate into the other issue, but I'm just wondering what your comments would be on that.

1650

Hon. Deborah Matthews: No, absolutely, and I think the deputy has some examples of—

Mr. Saâd Rafi: I think you're right. Early intervention is something that the Ministry of Children and Youth Services and the Ministry of Health and Long-Term Care are working on together. Some of that is in the first three years, the mental health strategy, so for example, every school board providing social work and mental health workers to help early identification and behaviour challenges so that we can make sure that youth are properly channelled. But in addition to that, there are partnership opportunities, to your point, with not-for-profit, but also I think there has been a very strong response from the corporate sector in many different subsectors.

Mr. Mike Colle: Bell Canada is—

Mr. Saād Rafi: Bell Canada is, yes, a very notable example. While that may be focused a little bit more on the adult side of things, in addition to that, the Council of the Federation of Premiers met, and mental health is an identified area of priority by Premiers Wynne and Selinger. Manitoba is taking the lead, but there will be a mental health summit bringing not-for-profit, for-profit and government representatives together, hopefully before the end of the calendar year, to talk about how there can be a joined-up effort to manage what is an increasing affliction and challenge that is coming to the fore more and more as people are beginning to talk about these issues, as you pointed out.

Hon. Deborah Matthews: If I could just add, because I can't let your reference to shock treatment go—

Mr. Mike Colle: There's a fancy name for it, but it's—

Ms. Helena Jaczek: Electroconvulsive therapy.

Hon. Deborah Matthews: It's a lot different now than it was before. There was a very thoughtful article recently published in the Toronto Star, in response to an article that was pretty harsh, from two physicians at CAMH who have very good evidence that for some people—some people—it actually saves their lives. I just think it's important that we not stigmatize that kind of therapy, because it is effective for a small subset of people facing depression, I think, in particular.

Mr. Mike Colle: Yes. As I was saying, in this case it helped the person that I was visiting. It did help. The doctors told me it was the only thing that saved the person, and thank God, touch wood, he's still back in good health.

We have group homes across the province that deal with people with cognitive disabilities, with physical disabilities. They're run by the Reena Foundation, all kinds of wonderful organizations. I'm just wondering why we can't use that model, where there's a home or there's a building where people have their dinner, their lunch, they sleep, and then they have professionals, they have caregivers in that group home setting. I don't know, for the life of me, why we can't use that same group home setting and have mental health professionals in that setting that help—I'm talking about young adults—they get through the trauma of this mental health illness they're going through. Is it the shortage of expertise? Because they're going to end up in the hospital anyway, or in the States, where it costs a fortune. Why can't we use that group home model with the mental health nurses and the psychiatric supports? Why does it take so much to have a residential care facility for young people?

Hon. Deborah Matthews: We actually do have—we can get you the number—thousands of supportive housing for people with mental health challenges. In fact, we recently announced the funding of over 200 more through a pilot program started by the Canadian Mental Health Foundation called At Home/Chez Soi. It was focused on people who were homeless. It got them into housing, got the right supports—a wonderful, wonderful success measured in many different ways, including

visits to emergency departments and involvement of the police. So there's a growing understanding that that kind of supportive housing is absolutely the way to go.

We opened the YWCA down on—I want to say Oak Street, but it's not Oak Street, but not far from here. It is supportive housing for women, so that is—

Mr. Mike Colle: Grosvenor?

Hon. Deborah Matthews: It's not on Grosvenor. I'll—

Mr. Saād Rafi: It's the YW.

Hon. Deborah Matthews: Yes, it's the YW. Because if people don't have a home, it's very, very hard to move forward with any kind of treatment to get them back on—

Mr. Mike Colle: And I think that's laudable, especially because a lot of people who have homelessness issues are suffering from mental illness and psychological challenges.

I'm just wondering, why not have a similar thing like you did for the homeless for the young adults—you know, young women or young men—who have these mental health issues? So you get a segment from 18 to 24, whatever it is, who are put in a group home setting with the mental health professionals helping that very targeted group, rather than waiting for these residential care facilities or beds which we don't have and seem so long in coming. I can't see why we can't use that model.

Hon. Deborah Matthews: So we can and we do—

The Chair (Mr. Michael Prue): You have about 20 seconds.

Hon. Deborah Matthews: We can and we do, and I'm hearing you say you want us to do more.

Mr. Mike Colle: Yes, for that group, and as soon as possible because we can't wait for—

Hon. Deborah Matthews: Exactly.

The Chair (Mr. Michael Prue): Okay, we're into the 10-minute round now, starting with the Conservatives.

Mr. Rob Leone: Thank you, Mr. Chair.

Minister, just piggybacking a little bit on what Mr. Colle was asking you about, I know mental health has been an issue that certainly a lot of people have considered a priority. Certainly, I think all parties have suggested that we need to do more in the area of mental health. Are there any charts or documents that you could provide showing how money is shifting into mental health, how much more the government is spending and how many more programs in mental health are now available, given this switch in focus? I know part of your transformation document talked about that. So is there any concise detail in terms of how much money has shifted into mental health and what programs have been created as a result?

Hon. Deborah Matthews: We can prepare that for you.

Mr. Rob Leone: You can provide that. Okay, thank you very much.

Hon. Deborah Matthews: I'm assuming you're talking mental health and addictions.

Mr. Rob Leone: Exactly. Yes, absolutely.

I have some estimates questions with regard to the estimates that you have produced. I know we're going to be voting on the estimates by the end of the session today. I noticed for your health policy and research program, the difference between what you spent in 2012-13 and the estimates of the spending this year is some \$120 million more—almost \$129 million more—than the year previous. Where is that money going and where is that money coming from?

Mr. Saâd Rafi: Do you have a page reference by any chance?

Mr. Rob Leone: Sorry, I'm in the expenditure estimates, on page 273 of this book.

Mr. Saâd Rafi: I suspect I have a different version. I do. We'll have to get you that—

Hon. Deborah Matthews: Here it is.

The Chair (Mr. Michael Prue): Could you let us all know what page it is in that book? Because that's what most of us have.

Mr. Rob Leone: It's line 1402.

Mr. Saâd Rafi: Page 81.

The Chair (Mr. Michael Prue): Page 81?

Mr. Saâd Rafi: I believe, yes.

Mr. Rob Leone: Sorry. Hopefully the numbers are the same—the \$129 million. I'm just wondering, what is that money being allocated to in the health policy and research program? It's a lot of money.

Mr. Saâd Rafi: I'll have to get you a reconciliation as to why there's an increase, because I would have to look at the previous year's actuals to these estimates to understand which one of the line items on this page has gone up to account for this total change.

Mr. Rob Leone: So there isn't any new initiative—

Mr. Saâd Rafi: I don't—

Mr. Rob Leone: —that would account for—I mean, that's a lot of money.

Mr. Saâd Rafi: It's a lot of money. I don't know off the top of my head—

Mr. Rob Leone: I would assume that must be some new research program or some more—what does the health policy and research program do, specifically?

Mr. Saâd Rafi: Well, first off, this area is on a base, in 2013-14, of \$966 million, so it is a 15% increase, as the previous page shows. You can see that the elements are—

Hon. Deborah Matthews: So it's clinical education, primarily; that's the big increase.

1700

Mr. Rob Leone: So there's no one thing that sticks out in your mind as to why it would be that much bigger?

Mr. Saâd Rafi: No, sorry, but I'll get you that information.

Hon. Deborah Matthews: On page 80, you'll see that the clinical education line is up by 16.2%. So that is training doctors and training nurses—internationally educated doctors and nurses as well.

Mr. Rob Leone: Your eHealth and information management program costs are going up by \$34 million there. Any particular reason for the increase?

Mr. Saâd Rafi: Again you're on page—

Mr. Rob Leone: I'm not in the same book, but it's line 1403 of the estimates that we'll be voting on. Next time we'll coordinate the books we bring.

The Chair (Mr. Michael Prue): That would be page 86 and 87—I think it is.

Mr. Saâd Rafi: Thank you.

Mr. Rob Leone: But nothing particularly stands out for eHealth, \$34 million—almost \$35 million—more?

Mr. Saâd Rafi: If you could bear with me—are we looking at the same thing? I have a change from 2012-13 to 2013-14 of a reduction of \$53 million. Maybe I'm looking at something different.

Mr. Rob Leone: No, I have a different—it's going to be interesting when we vote on this. I don't see that reduction at all.

Mr. Saâd Rafi: Oh, I see. Sorry, pardon me. Yes, the bulk of those costs—in fact, almost entirely, except for a reduction in agency efficiencies at eHealth Ontario—comes from the implementation of something called Community Care Information Management, which is using tools such as back-office support for thousands of community agencies and the RAI-MDS tool that we talked about, the resident assessment instrument, that's used in long-term-care homes and home care.

This is a multi-year rollout of those tools for thousands of health care professionals in the community sector to do the assessment—that's on page 90; you'll see the reference to CCIM investment—to allow them to have a more up-to-date and more consistent assessment of the acuity needs of home care recipients.

Mr. Rob Leone: Okay. Now, it says the Ontario health insurance program is going up by about half a billion dollars; that's probably for demographic reasons, I'm assuming, and we're likely going to see increases of that magnitude for the foreseeable future, I'm assuming.

Hon. Deborah Matthews: Our recent negotiations with the OMA and OHIP include more than just the physician compensation, but we are working very hard to actually hold the line on physician compensation, because we feel that there are other demands in our health care system that we must invest in.

Mr. Rob Leone: That physician compensation is about \$12 billion, right? I saw that number somewhere.

Mr. Saâd Rafi: No. Actually, that includes all manner of health professionals who might be billing fee-for-service. That would include physiotherapists at a couple hundred million, because we're trying to reduce those costs that were escalating \$50 million above budget. Approximately \$11.1 billion of the 12-and-something billion dollars are due to fee-for-service physicians.

Mr. Rob Leone: Okay. The public health program is getting a bump of about \$46 million, from \$715 million to \$761 million. I'm just wondering why the increase of almost \$50 million for public health, and if there are particular initiatives that the public may need to be aware of.

Mr. Saâd Rafi: Generally, public health is funded at a 75% contribution from the province to municipalities, and they contribute 25% of the budget. Now, that is not

what's causing these increases. The bulk of the \$46 million, as you can see in the blue book on page 129, is for the increased investment in vaccines. We work with the federal government to ensure that we have the right stockpiling of various vaccines.

A good example has been what Alberta has run into with the measles outbreak that they have in certain communities in Alberta. The federal government is the purchaser, and we keep a stockpile and pay for those vaccines. That's \$30.5 million of the \$46 million. There is some related mandatory program growth as you can see there.

Panorama project investment is a national immunization IT project that is being implemented with, I think, seven or eight provinces across the country, where, again, public health units are using immunization methods to track whether students in school, especially grade schools, are being immunized. This is proving to be an effective program.

Mr. Rob Leone: Finally, there are lots of other things we could talk about, but the provincial programs and stewardship getting an increase of about \$77 million—any particular reason for that increase?

Mr. Saâd Rafi: Provincial programs are a good example of activity-based funding. So it really varies on the volumes that hospitals do in certain designated areas. That's reconciled at the end of the year. You can see it's a fairly significant base of \$3.87 billion in 2012-13, with a 1% increase, which is representing that \$43 million. So a 1% variation on the multitude of programs that would be in place would not be anomalous from previous years.

But I would point out that there are a lot of ins and outs in this calculation. There are some physician services agreements with the OMA, efficiencies through evidence-based changes that would be—for those who have the blue book, on page 152—\$61 million. That's a material number. Post-construction operating would be funded out of this, which is to pay for the operating ramp-up after new or redeveloped hospitals are being built. That has been a fairly aggressive program for the government over the years, and you can see that that accounts for \$126 million. Again, a notable decrease would be the hospital working fund initiative, which is taking hospital deficits on a—using lines of credit and helping them work through that debt that they're carrying, getting that off of their books and therefore the government's books, through consolidation. That represents approximately \$66 million. Of course, community services—investments in services for leasehold improvements—and I'm getting the hook—for \$210 million.

The Chair (Mr. Michael Prue): Okay, I just wanted you to finish your sentence, and you did.

Mr. Saâd Rafi: Thank you.

The Chair (Mr. Michael Prue): The next 10 minutes go to the NDP.

M^{me} France Gélinas: We'll be very quiet. We'll try to talk about nurses. Do you keep track at all of the uses of agency nursing throughout the health care system, or is this something you don't look at?

Mr. Saâd Rafi: I hate to ask a follow-up, because it's—

M^{me} France Gélinas: Go right ahead.

Mr. Saâd Rafi: Agency nursing refers to a temp type of service?

M^{me} France Gélinas: Yes.

Mr. Saâd Rafi: I'm not sure if we follow that. There was an initiative that—I think a question was asked in late 2011 where we did hire more at the case-management level. CCACs felt that they could benefit from hiring nurses in those areas as opposed to going, for example, through the contractors. But I don't know of tracking—I'd have to check.

Hon. Deborah Matthews: You're talking about individual hospitals, how much they rely on agency nurses? And home care and long-term care as well?

M^{me} France Gélinas: Yes.

Hon. Deborah Matthews: I don't know if we track that. We'll find out.

M^{me} France Gélinas: If you do, I would be interested in knowing where they are being used and if their usage is increasing. From my observations on the ground, we see them more and more in places in the health care system where it's quite surprising to find out that they're agency nurses.

Hon. Deborah Matthews: One of the commitments we made way back in 2003 was to increase the proportion of nurses who work full-time. I think the nursing sector said that about 70% was the right balance. We have gone from, I think it was 50%, to very close to 70%. So that might be part of the answer to your question.

M^{me} France Gélinas: That's in hospitals. The 70% doesn't apply to long-term-care homes or to other areas.

Hon. Deborah Matthews: That's correct.

M^{me} France Gélinas: But the agency nurses—

Hon. Deborah Matthews: The 70%—

Mr. Saâd Rafi: Well, that data is from the college so it may be beyond hospitals. It's not an ONA member. So I don't know. I don't think it's just hospitals.

1710

M^{me} France Gélinas: Okay.

Hon. Deborah Matthews: We'll find out.

M^{me} France Gélinas: We'll find out.

Mr. Saâd Rafi: We're at 66.6%, according to the college of nursing.

M^{me} France Gélinas: Right now?

Mr. Saâd Rafi: It's full-time employment, yes.

M^{me} France Gélinas: Okay.

Mr. Saâd Rafi: Which is a 17% increase in 10 years.

Hon. Deborah Matthews: Seventeen percentage points, which is like about a 35% increase.

Mr. Saâd Rafi: True.

M^{me} France Gélinas: She's strong in math.

Mr. Saâd Rafi: Very, believe me.

M^{me} France Gélinas: We have 9,000 net new nursing positions that were announced some time back. Are we there? Was this a success, and do we know the breakdown between RNs and RPNs?

Hon. Deborah Matthews: We have definitely exceeded 9,000 nurses—

Mr. Saïd Rafi: Ten thousand five hundred.

Hon. Deborah Matthews: Ten thousand five hundred more nurses working now. I think that number has actually even gone up—

Mr. Saïd Rafi: It has gone up since. That's 2012.

Hon. Deborah Matthews:—since then. There are—and I'm going by memory here—more RPNs. The growth in RPNs has been faster than in RNs, and then there has been a very significant increase in nurse practitioners. So as the nurses get trained up to become nurse practitioners, they move from the RN into the NP category.

M^{me} France Gélinas: Who tracks those numbers?

Mr. Saïd Rafi: We work with the College of Nurses to do that, and we are constantly in discussions with the RPNAO, the RNAO and the ONA, because the issue of the absolute growth in various elements of the nursing profession sometimes belies the ratio of nurses to RPNs, which is tracking where it should be, based on feedback from the college as well as the unions.

M^{me} France Gélinas: So are there actual studies that look at what the mix should be between RNs and RPNs?

Hon. Deborah Matthews: Yes. The answer is yes. Hospitals are making changes to their staffing mix based on evidence.

M^{me} France Gélinas: Where are those studies?

Hon. Deborah Matthews: Let's see what we can direct you to.

M^{me} France Gélinas: Okay. So, of the 10,900, the number from 2012 that you quoted, will I be able to get a breakdown as to how many were NPs, RNs and RPNs?

Mr. Saïd Rafi: I think so, yes.

M^{me} France Gélinas: Okay, thank you. In May 2012, you announced 900—do you remember that?

Mr. Saïd Rafi: New nurses.

Hon. Deborah Matthews: New nurses? Yes.

M^{me} France Gélinas: Yes, new nurses. Are those captured in the 10,900?

Hon. Deborah Matthews: I would have to check. Probably not.

Mr. Saïd Rafi: Not likely.

Hon. Deborah Matthews: Well, we'll make sure. We'll reconcile that.

M^{me} France Gélinas: Okay. With the same idea of a breakdown?

Hon. Deborah Matthews: Oh, I've just been told I have the numbers. We have 7,935 more RNs. We have 7,019 more RPNs, and that's an increase of 27%. We have a 250% increase in NPs, so that is 1,339 more NPs. So when you look at all nurses, it's 16,293 more nurses working in the province, and this is from the College of Nurses.

M^{me} France Gélinas: Okay. What's the date on that?

Hon. Deborah Matthews: The date on this is 2012. So it's the 2012 CNO membership statistics report.

M^{me} France Gélinas: Okay. Before my 10 minutes run out, or my voice runs out—I think that's already

gone. I wanted to talk to you about Hamilton Urban Core Community Health Centre. Where are things at with the request for funding for a capital project for them?

Hon. Deborah Matthews: The LHIN is looking at the services offered by Hamilton Urban Core. You probably know that that area of Hamilton has a lot of different community agencies located within that urban core area. The LHIN is taking a look at what would be an appropriate addition, if any, to the services provided at Hamilton Urban Core, so the LHIN is doing a review now of Hamilton Urban Core.

M^{me} France Gélinas: When is this review going to be completed?

Hon. Deborah Matthews: By the end of November.

M^{me} France Gélinas: By the end of November.

Mr. Saïd Rafi: That's our goal.

M^{me} France Gélinas: And for decisions made?

Hon. Deborah Matthews: On capital? So the first step is to determine what services ought to be offered there, and then a capital request would be considered within the context of that information.

M^{me} France Gélinas: All right.

The Chair (Mr. Michael Prue): One minute.

M^{me} France Gélinas: Okay. I'm back with nurses. You've talked about some of the studies that were done, either by HealthForceOntario or the nursing secretariat, regarding the skill mix changes. Are you going to make those studies available?

Hon. Deborah Matthews: Let me find out what there is. Let's find out and refer you to the studies.

M^{me} France Gélinas: Are they specifically for a hospital, or do they look at long-term care, home care and other areas where different levels of nurses work together?

Hon. Deborah Matthews: My understanding is it's specific to hospitals, but let's—

Mr. Saïd Rafi: Yes, there's also on—maybe not the skill mix but the supply, so that would look across the entire health sector.

The Chair (Mr. Michael Prue): And I'm going to have to stop you there.

Okay, the last 10 minutes: Ms. Jaczek.

Ms. Helena Jaczek: Thank you, Chair. I would like to go back to talk a little bit more about LHINs. Each LHIN, as you've described, obviously has the responsibility to ensure that the various health care providers, institutions and organizations in their geographic area are working better together, making sure there's more integration of services so that, from the patient perspective, service can be as seamless as possible. I think we understand that.

I'm obviously very conscious of what's happening in my own LHIN in York region, Central LHIN. We're aware of some really quite innovative practices that are occurring within our LHIN. You happened to mention transportation and seniors, and the Community and Home Assistance to Seniors program, which has been in existence for a long time in York region. It is really, I would say, a best practice.

So when a LHIN becomes aware of a best practice or something that they want to share—and I guess from the perspective of the ministry having some need to ensure that Ontario has some uniformity in terms of best practice—how does that information surface? How does it come up from the LHIN? How do they share information? And how does the ministry ensure that best practices then get disseminated? Can you talk to us a little bit about that?

Hon. Deborah Matthews: Sure. I'll start, but then I'll turn to the deputy.

The LHIN chairs and CEOs meet together regularly—I think about every six weeks—and one of the things they do is share their successes and their challenges, so we are constantly trying to provide that cross-fertilization. We do want to provide equal access to care across the province, but we also recognize that communities are different, and the needs and the existing resources are different within the LHINs.

But in terms of, as you say, a best practice where the evidence is demonstrating that this is helping outcomes for patients, there is the opportunity to share that information at these meetings. Perhaps the deputy could—

Mr. Saad Rafi: Sure. So the ministry management team and the LHIN CEOs meet every month for a full day, and have done that now for almost four years, since my arrival to the ministry. The agenda is jointly set. The chairing of the meetings rotates between our ADM responsible or one of the LHIN CEOs. The point of those discussions is to go over initiatives that they are working on, that they are, in some cases, leading in their communities on behalf of all the LHINs and vice versa, if the ministry is bringing an initiative forward.

1720

In addition to that, whenever we are looking at an expert panel or expert input, we have typically asked for two LHIN CEOs to self-select to be part of a panel, a steering group, a working group or what have you, so that they can report back in on the progress of that particular initiative—health system funding reform is a very good example—to their colleagues across the province. That cross-fertilization of both participation in planning accountability but also the development of initiatives has been a hallmark of the interaction between the ministry and the LHIN, and the LHIN with their health service providers. They themselves might take the initiative to organize their health service providers and create a committee on ALC issues and bring the examples that the Toronto Central LHIN might have had to Mississauga, to Halton etc.

Ms. Helena Jaczek: In other words, there really is a cross-fertilization of ideas, knowledge transfer and an attempt—obviously, I'd say quite a concerted attempt—to ensure that the knowledge is spread across the province.

Hon. Deborah Matthews: One of the really good examples that comes to mind is Home First. Home First was the brainchild of one CCAC working within the LHIN. They demonstrated the evidence that they could

reduce ALC rates, that people could, in fact, get stronger once they got home, and that idea—I believe it was the Waterloo Wellington LHIN, but I'm not positive. As they got the results, they shared with their LHINs, and now I think we have the Home First philosophy right across the province. I have to say, people in other jurisdictions are watching it very, very closely.

Ms. Helena Jaczek: Okay, thanks. Just this morning, we heard from you that there are now nine million Ontarians who have an electronic medical record—

Hon. Deborah Matthews: Yes.

Ms. Helena Jaczek: —up from seven million. So we're obviously making progress rolling that out. I know my colleague wants to jump in here for a minute, but perhaps you could just—you obviously demonstrated some of the benefits. Could you just go through again how this is seen from the patient perspective?

Hon. Deborah Matthews: Patients have high expectations of their providers to have the information they need to make informed decisions about the care they receive. I suspect you've heard from constituents who might complain that they have to give their information over and over and over again. That shouldn't happen, and with an integrated health record, it doesn't happen, because all of the providers can actually access the information so they know what tests have been performed, they know the lab results and they know the procedures that have been undertaken. They've got that shared knowledge.

If you think about our health links and trying to pull together this quite diverse array of health care providers, they all need the same information in order to make the right decisions for patients. EHealth is so much more than just electronic records within one doctor's office. That's the foundation; you need to have that. But we're starting to see family health teams that are mining the data from their electronic health records to, for example, notify patients that they are at a high risk for flu—"Come on in and get your flu shot"—and they've seen a huge increase in the uptake of flu shots because they've identified those people who would benefit most and have been proactive about getting them in. So there's the sharing of information across providers and really understanding what's going on with patients within their practice.

The Chair (Mr. Michael Prue): Mr. Dickson.

Mr. Joe Dickson: I've got about a minute, Mr. Chair?

The Chair (Mr. Michael Prue): About a minute and a half.

Mr. Joe Dickson: Thank you. Madam Minister, a couple of quick questions on eHealth. I've gone through a couple of experiences myself. One of them was about 10 years ago. I was out in the country and I didn't feel well. I got myself into town. There was a doctor there who served a wide area of the country, and I didn't even know he knew what a computer was. He sat me down and, of course, as soon as he typed in my name he started calling me Joe and said, "By the way, you've had a heart attack. It's a good thing we have these eHealth records."

This was 10 years ago. He said, "If I didn't know that when I went to prescribe the medication, I could have had some challenges."

Hon. Deborah Matthews: Wow.

Mr. Joe Dickson: It's very, very important. I said, "I'm truly impressed, Doctor."

I just went through another one—pneumonia, pleurisy and a lot of other things; just getting rid of it—and I had some congestive heart disease. I ended up in the Bancroft hospital. Everybody under the sun was absolutely wonderful. There was eHealth written over everything, from an ambulance to the hospital to the time you get in. The doctor stayed there halfway through the night. With the assistance of eHealth and everything on the computer, in due course it will be resolved, now that I've got another cardiologist involved and all those good things.

I guess my only question is: There has been such great progress; where do we go from here, with the significant increase in the number of doctors that you alluded to earlier, when it comes to the medical profession, Ontario hospitals and eHealth in general? I'm sorry; I didn't leave you much time for an answer.

The Chair (Mr. Michael Prue): You left her about 10 seconds.

Hon. Deborah Matthews: The one word is interoperability, so that when you go to a hospital in Bancroft, they can access your records, not just at your own local hospital.

Mr. Joe Dickson: It was wonderful; absolutely wonderful.

The Chair (Mr. Michael Prue): And I thank you.

Mr. Joe Dickson: Thank you, Chair.

The Chair (Mr. Michael Prue): This concludes the committee's consideration of the estimates of the Ministry of Health and Long-Term Care. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote? I'm seeing a few nods; we'll put that on the record.

Shall vote 1401, dealing with the ministry administration, carry? Carried.

Shall vote 1402, health policy and research, carry? Carried.

Shall vote 1403, eHealth and information management, carry? Carried.

Shall vote 1405, dealing with OHIP, carry? Carried.

Shall vote 1406, public health, carry? Carried.

Shall vote 1411, LHIN and related health services providers, carry? Carried.

Shall vote 1412, provincial programs and stewardship, carry? Carried.

Shall vote 1413, relating to information systems, carry? Carried.

Shall vote 1414, health promotion, carry? Carried.

Shall vote 1407, health capital, carry? Carried.

Shall the 2013-14 estimates of the Ministry of Health and Long-Term Care carry? Carried.

Shall I report the 2013-14 estimates of the Ministry of Health and Long-Term to the House? Agreed? Agreed.

That would conclude us. Thank you, Madam Minister, on your birthday, for being here. We're going to have a two-minute recess until the next minister, Minister Murray, arrives. We are recessed for approximately two or three minutes.

The committee recessed from 1729 to 1732.

MINISTRY OF TRANSPORTATION

The Chair (Mr. Michael Prue): We are here today for the consideration of the estimates of the Ministry of Transportation for a total of 7.5 hours. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised so that the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer.

Any questions before we start?

Ms. Carol Layton: None, thank you.

The Chair (Mr. Michael Prue): No? Okay. I am now required to call vote 2701, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and 30 minutes by the third party. Then, the minister will have 30 minutes for a reply. The remaining time will be apportioned equally amongst the three parties.

Mr. Minister, for the next half hour, or up to that, the floor is yours.

Hon. Glen R. Murray: Mr. Chairman, thank you very much for your hospitality, and it's great to be here with my colleagues. I'll just turn it over. Deputy Minister Carol Layton, I think, is a well-established and well-regarded member of the public service, and she'll be joining me today. Is there anyone you want to introduce?

Ms. Carol Layton: Actually, we have just a few folks here today, because we do appreciate that we're in tomorrow late afternoon for a longer session. We have our director of communications Kimberley Bates observing today and Tom Harmantas who is a special adviser with my office, and they're right there.

Hon. Glen R. Murray: What I would like to do, Mr. Chairman, with your permission, is just give a bit of an overview of the ministry, some of the major issues that we're thinking of, which I hope will help frame the conversation. I'm sure there will be many issues that my colleagues here today will want to raise and discuss, given the criticality of transportation to our economy and our quality of life.

As you may know, our transportation assets right now, if you had to replace them, are worth \$80 billion. Governments present and past in Ontario of all political stripes can take great pride in a very strong legacy of investment in transportation.

Part of the challenge we've had is that for the last 50 years, though, through fiscal prudence or for whatever

reason, we were investing, from almost the 1970s on, at a much lower level than most other provinces. We are now spending about 400% more than our traditional level. Our average infrastructure spend right now is about \$14 billion. About half of that is transportation.

Every day I'm sitting in question period, Mr. Chair. I have one MPP from almost every party sending me a note, saying, "Can you do something about Highway 6?" I've kept a running total. We are now in the billions of dollars, quite seriously, of requests that I have just accumulated in the nine months I've been transportation minister, from casual notes sent to me by my colleagues on the government side as well as in both the opposition parties. I think that's a strong indication that there is a great deal of unmet need. To meet the need of issues, whether it's in Algoma-Manitoulin or Simcoe North, you would have to almost double the budget. None of the questions I'm getting for rural roads, highways, bridges, issues of transit and transportation, critical water and sewer infrastructure, as Minister of Infrastructure—none of those are frivolous expenditures.

I think we need, in a very non-partisan way, hopefully—because I think this is an issue that should not divide us on ideological lines. I think the opportunity with a minority government to advance the infrastructure agenda is one of those things that, regardless of your ideology—I think all of us can see it is a foundation for our quality of life, for our social justice, our economy, our mobility, our environmental health and our well-being.

We are involved in transportation investments from Cornwall to Kenora. They're very, very critical. Whether it's in our large cities, whether it's Ottawa, Toronto, London or Windsor, there are major roads, parkways and transportation projects under way.

Our transit investments have emerged as one of the most significant, largely because they are so foundational and impactful on every transportation choice, especially for people who are not transit riders. Since we've come into government, we've built on a tradition of investment in transportation. Almost \$20 billion alone have been spent in transit investments.

To understand why that is as much for people who are motorists as it is for transit users, the analogy I often use—and I think that probably all of us have experienced it—is if you look at the 401 as it goes through Toronto and heads out to Guelph or Kitchener or Cambridge, it's up to 18 or 20 lanes wide. It's pretty hard to imagine that we could add more lanes to that highway. It's problematically large already.

If you look at the other major east-west carrier in southern Ontario, it's really the Queen Elizabeth, which is about four or six—at most eight, in very rare instances—because half of that traffic is carried on the GO system.

Part of what we're trying to move to is to integrate both highway and GO—higher-order transit systems—because we know that the reason we have fewer lanes of traffic and a little bit more mobility on some of those

routes is because we've been able to manage a good modal split between the two.

But the behaviours are very different, and maybe I can illustrate one of the most dramatic in this issue between transit and transportation investments.

Anyone who has gotten on the Gardiner in the morning or gotten on the Queen Elizabeth Way out to Hamilton or out towards London will notice that, certainly in the suburban 905, the traffic is pretty balanced in the morning, by car, going in and out. You've got as many people leaving downtown Toronto now as you have coming into it. But if you go on the GO service, the GO service is oversubscribed—crowded, shoehorned in—coming in at rush hour. But it goes out empty—less than 20% ridership from central Toronto out. Why such a difference? Why congested or full-capacity highways both ways, but GO over capacity coming into Toronto and under capacity going out of Toronto? The reason is that you can actually take a train to a central destination. There are clusters of employment in central Toronto. If you're living downtown, you drive your car if you work in Mississauga or Kitchener or Cambridge because the destinations—the employment land—are very diffused, very spread out.

1740

So one of the things that we're trying to integrate—and I think, again, given that smart growth has continued to governments before, the smart growth movement—our government has embraced it and previous governments have embraced it, under the NDP and under the Conservatives—is something we're trying to move up, because connectivity cannot solve our transportation problems.

Our first line order of improving transit is actually complete communities in proximity so that people can live, work and play in a single community. In Ajax or Pickering, we're working with mayors right now to integrate land use through Places to Grow and with official plans to put concentrated employment clusters along our subway lines and along our GO lines; in Ottawa, with the Confederation Line. We're trying to intensify commercial development so that no matter where you live—that all of those cities and communities, all along our GO lines, as we move to two-way service, can actually have commercial centres, and to try to ensure that we've got proximity, that most of our employment lands are clustered around our higher-order transit, whether it's subway or GO. There are huge opportunities now with the Vaughan-Spadina subway line. We have real challenges getting out to those areas.

In other areas, the highway investments are important, whether it's Highway 6 or Highway 7 or Highway 427; those are critical priorities. Across the north with our highway system—we realize that our highways are also our trade routes. One of the things that has happened since free trade has been a battle for the east-west trade route. The interstate system in the United States is quite powerful, and we have to compete with that. So one of our priorities has been accelerating the twinning of our TransCanada highways, especially the 11 and 17, to get

four lanes, because we want more commercial traffic to go north of 49 and north of the Great Lakes from Toronto to Winnipeg to Calgary and Vancouver. Now, since free trade, about two thirds of it is connecting our major Canadian cities through the US. That means more truck service, more regularity, more logistics and more advantages for businesses south of the border, which have more access to more immediate and frequent transit. We're working very hard. When we met in Winnipeg as transportation ministers, particularly Manitoba, Alberta and Quebec have pressed very, very hard for a national highway program to do that.

It's also essential, in the infrastructure, to open up the Ring of Fire, because it's not just getting things in and out of the Ring of Fire; it's getting them in and out of Ontario and to export markets.

Right now, we are facing a number of challenges because as I said, we're between \$6 billion and \$7 billion a year now on transit investments alone. We spend more on highways than just about anything else in the transit portfolio traditionally, but we're also up against a very fundamental loss to the economy in productivity and jobs. There is far too much money in Ontario—and this is particularly true in Toronto but not limited to it, if you've been out down the 401 communities: Too many businesses are paying drivers and workers to sit in traffic and burning fuel for vehicles that are not moving. If you believe the Toronto board of trade's numbers, it's \$6 billion. If you believe the C.D. Howe Institute, that is between \$8 billion and \$11.4 billion in lost productivity. That translates into money coming out of working families' wallets. It's increased costs of businesses. It's money that is going neither towards creating jobs, improving services, nor making profits that can be re-invested for future economic growth.

We view that as critical. We have tried to find a jurisdiction somewhere in the world that has managed to do the kind of transit and transportation build in highways and transit that we require without finding a new revenue source. I have yet to find one. I have looked carefully at Chicago, New York, Vancouver, Paris and London. Nor has anyone done it without some broad-based revenue source.

The Big Move: Right now we are about \$17 billion into—and I want to emphasize this—about a \$50-billion capital project. That is the capital components of it, the hard concrete, rails, tracks and switching systems that have to be built. That will significantly improve the trajectory that we're on.

But it's not like you do the Big Move and end. We're looking at a century where we're going to have to invest more significantly in roads and highways.

Rural roads and bridges are critical. We started the MIII program because of criticality. During years of downloading—and this is not a political shot at anyone; it's just the simple reality, and it went on for quite a long time by different orders of government—many municipalities in rural Ontario picked up a lot of highways and roads that they don't have the capacity for nor do they

have the tax base because of sparse populations to sustain.

We've been working very, very hard—and when I say “we,” I don't just mean the government. I think there are many positive suggestions coming forward in the Legislature to look at new funding partnerships because a culvert that is in a poor state of repair that has to be replaced can mean cutting off the main street of a small town from a critical highway. A link connecting a community to a major highway system is the lifeblood for those communities.

So a lot of work has been going forward. I know John Yakabuski and Mike Mantha particularly have been very creative in working with us and moving that forward.

I won't go through all of the projects, but one of the things that I think has been a very helpful tool as we go to a more data-rich system for measuring transit and transportation is the good work that we've been able to do with the Ontario Good Roads Association, where we are taking the measure and stock of every rural road and bridge, we are coming up with a financing and sustainability plan to try and use our commitments right now to annualize funding but to use these asset-management plans that have come out of that kind of research where every municipality, small and large, has a plan that has inventoried—looked at the criticality of its infrastructure and provided a bit of a contract between the provincial government and the municipality on how that money could be spent. So we're moving more and more towards funding the plans of municipalities and letting them decide what the critical projects are.

I've been engaged with Minister Lebel federally and Minister Raitt to try and get the federal government to triangulate that into plans. Now many of you know that if it's Moosonee, it may be docks—there are all kinds of unique issues. So we're trying to move away from a cookie-cutter system, recognizing the diversity of Ontario communities.

I have a whole bunch of notes on transit which I won't bore you with because I gave you a fairly high level of that. I think you're all familiar with half-hour two-way GO service; all of the BRT systems: Viva, Züm and Mississauga. The Durham Pulse is one we're looking at extending right now. It connects Oshawa and the eastern GTA to U of T's Scarborough campus where most of their students come from. Centennial College draws most of its students from the eastern GTA and not downtown. So we're looking at a lot of institutional connections through BRT separate road systems in that system.

There are 9.7 million car trips taken in the GTHA each day, and that is huge. We know a lot of those could be transit rides because they're people going to a single destination. So we're doing a lot of mapping right now about where people live and where they go to work. We're particularly interested in those who do a single trip because if you're a salesperson going 15 places in a day, or you're a mom or a dad with a minivan and six or seven kids and ballet lessons and hockey lessons, those kinds of things are hard to manage, but we want to look at actually distinguishing which are the transit users.

But in rural Ontario, 70% of the trips are less than five kilometres. In urban Ontario, it's 50%. So the cycling strategy, #CycleON, which has been worked on with the Ontario Trucking Association, all of the cycling groups, the cycling union, as well as the CAA—we've had groups from Essex county to Thunder Bay to Ottawa to the Niagara region to eastern Ontario that have been participating in this. One of the things that's come out of it, the most cost-effective, healthiest way to get people moving is to get them on their bikes or walking. Literally half or up to 70% of those trips can be doing it.

We're noticing that one of the biggest interfaces in suburban Ottawa and suburban Toronto is people going from GO Transit, or from high-order rapid transit, on to their bicycles because the cul-de-sacs and winding streets of suburbs don't lend themselves to transit. Cars are expensive and hard to park, but for almost three seasons now we're seeing higher transit ridership. We also know that physical activity—half an hour to 45 minutes is one of the best takes on two huge problems we have, which is obesity and diabetes. I think in the next seven to 10 years we're looking at another million Ontarians with diabetes, and what that's going to cost us is huge.

So a lot of the transportation mandate has been divided up amongst other ministries. I know you had Minister Matthews here up until I came, but, for example, for the cycling strategy, health has one of the major responsibilities of it. We've actually suggested that doctors start writing prescriptions for cycling rather than for medication because simply riding to work today, back and forth, if you've got a two-, three- or four-kilometre ride is great.

1750

I'm on a weight-loss program right now; I've just lost about 30 pounds, and it's mostly from riding my bike and just giving up mechanical transportation. That's probably better than any diabetes drug or anything else that I was looking at if I didn't do that. It's a fun way to do it. We're trying to look at a more integrated approach if you want to reduce GHG emissions—active transportation. Again, we need new solutions.

As we look to the north, there have been a lot of discussions going on with members of all parties in northern Ontario—and all three parties have representatives—about the idea of: How do we look at coach service and transit service between communities? How do we protect and maintain routes? Elliot Lake, for example, right now is doing some very innovative stuff with not having to bring the big coach buses off the big highway into Elliot Lake, but providing better service by supporting an integrated service with the local regional service in smaller vehicles.

Moving to a transportation plan for the province, which is a priority for us, and a multi-modal plan, really looks at trying to work with local communities to integrate local solutions into province-wide areas. As the ONTC looks at a different future—and we look at GO—there has been, I think, a very dynamic conversation going on about: Can there actually be a big win here for a hybrid of public and private service delivery?

Multi-modal transportation is a huge issue. Safety is a greater concern, for myself and for Minister Ashton in Manitoba and Minister Gaudreault in Quebec. We have been working together, pressing the federal government right now to have a more comprehensive strategy, to actually look at the movement of all goods, not just by marine, truck or train but also pipeline, and to actually start to develop criteria for the most cost-effective and the safest way to move goods.

Whether pipelines are private or public, we have to actually start thinking about them as an integrated transportation system and to bring, after what happened in Mégantic, a much higher, more stringent strategy and standard to public safety and the movements of goods and services. I'm hoping that all parties in this Legislature, having seen what has happened in Quebec recently, will endorse, support and provide leadership in working to try and get safety standards up as we see a higher reliance on pipelines and also more train traffic coming in.

We're looking at trying to look at our marine assets and moving marine in more ways. As my friend David Crombie always used to say, "Everything is connected to everything else." We do have challenges with dropping lake levels. We're having troubles in the north with environmental concerns around winter roads and climate change. We have to be very proactive and on the leading edge of anticipating these kinds of changes that some of those communities are going to find alternatives to winter roads, whether it's fly-in communities or whether it's actually looking at new technologies and new types of infrastructure materials to build roads in the north.

Part of the challenge is that, while we've seen a major increase in funding of northern highways and of highways generally, to build a kilometre of highway in northern Ontario, where 90% of our geography is, costs us five times as much than to build a kilometre of highway in southern Ontario. So one of the things we are looking at with Canmet—and we're really trying to drive greater innovation so we can find more affordable ways to do that and more affordable ways to build bridges and to maybe mass-produce bridges. We have about 75 bridges or more right now that we're going to have to build. So we're looking at new materials. Rather than building them as one-off, can we innovate in different ways?

John Lieou, who is our ADM, has been doing a lot of work in open data and metrics. We want to be the first ministry in government to go to totally open-source government, where we would put all of the data that we collect—as you may know, the driver's licences and our road-user safety databases are the largest in government. Without interfering with people's privacy, we would really like to get all that data out there so people could actually look at and understand, along a potential highway route or in route selection, what the optimal benefits would be to an agricultural community for the movement of agricultural produce or stock. When we're talking about an urban environment—much richer data on land

use intensity, potential impacts and higher levels of investment in jobs and intensification resulting from transit better understanding the difference on intensification of an LRT line or a subway line.

Australia has done some of this work, but right now some of the most groundbreaking work is being done by Infrastructure Ontario and by the Ministry of Transportation and by some of the not-for-profits, like CivicAction, the Cities Centre at U of T and the Canadian Urban Institute.

We're actually looking at trying to do that as a partnership. We think that will create greater accountability in government, because people will understand the rationale on why a road or a transit corridor is built in one place, what land use policy may be in another or why one route would be expected. It will also help us attract more private capital for opportunities for private investments along those kinds of lines.

If you want to understand the problem, I always suggest you can understand it quite simply as, go to the top of the CN Tower and look north. You're looking at three major subway lines all built mostly over 50 years ago. The only one you can find is the Yonge line because it's the only one you'll see spiking around subway stations. The Bloor line has seen almost no intensification, and the Yonge-Spadina line has not seen any intensification. If you look at the ridership numbers, the Yonge line carries 42,000 people per hour; the others are often running empty for parts of the day.

So we have to look at criticality. Obviously, the downtown relief line has emerged as a major priority, as have some of the others. As we go to a more evidence-based process, we'll see better data to actually help select and prioritize. Metrolinx is playing a major leading role, with the TTC, for the first time to actually do a fully integrated land use and transportation system so all members of the Legislature and the public will understand what the implications of different choices are.

Also, connecting different modes of transit—I don't want to spend too much time talking about Toronto, but the Highway 427 extension into the CP Vaughan terminal is really important. One of the things that we're seeing is increasing concentrations of employment in places like Markham, Mississauga and downtown Toronto and more of logistics and bottling plants, warehousing and that kind of thing moving out more peripherally to the warehouses, which really affects our highway development. And working in our multi-modal and good services model, which we'll be releasing in the new year, is a more integrated approach to rail and road—and trying to shift more of the inter-regional transportation needs being carried by that.

Also, HOV lanes, we have moved onto highways like 403 and 404—they're being used widely in eastern Ontario as well, particularly in the Ottawa Valley. We think they're very positive, and they're actually creating more incentives for multi-occupant vehicles.

Border crossings are particularly critical. The Windsor-Essex Parkway will create one of the most

important border connections ever. It's one of our biggest projects. We also know that by advancing that project as a provincial government, those of us in the Legislature really created the context which I think led to the United States agreeing to the construction of the presidential bridge. That is going to be one of the most important pieces of infrastructure all the way up the valley, from Windsor all the way up to Cornwall and beyond into Quebec. It simply takes the busiest border crossing between Canada and the United States and improves it to a quality that is extraordinary.

When I was talking earlier about northern highways, about getting our highway system up to the same standard of the Interstate so that we're not using it as it has become in some suburban communities—not a throughway but a go-to way, where it's being used more for big box retail than it is for moving important commercial and community traffic in and out, and protecting and restricting access. I think a very important conversation for the Legislature, going forward, will be the hierarchy of our highways. What are our truly national highways and regional highways? How do we protect them? Which highways should have commercial development on them? How do we manage access to our highways? I'm looking forward to a thoughtful discussion, because that's not just an urban issue. If you're on Highway 6 or Highway 7 or the double-digit highways, these issues of access, commercial use and through-traffic flow are critically important.

How am I doing for time?

The Chair (Mr. Michael Prue): We have about three minutes.

Hon. Glen R. Murray: Okay, so it's a good time to wrap up. Thank you very much.

I just want to touch briefly on road safety. Mr. Chair, as you know, with our community partners, governments present and past have worked very, very hard. Our drunk driving statistics are down significantly from last year. We are now at 50% below the national average. Distracted driving is an issue that I know many of us in a number of parties, certainly, a couple of the members of the official opposition—I particularly want to thank Jeff Yurek—have brought forward this idea. As our drunk driving rates are coming down dramatically, distracted driving accidents are going up very significantly, so I'm hoping that is something again—there are always advantages to a minority government—that finds favour in all three parties. I'm hoping that we can work together in a non-partisan way to put the people's business first and have the same success that we've had over decades of working to have the best drunk driving laws and the most successful education programs.

I know that a lot of you met with CAA today and Mothers Against Drunk Driving. We have an incredible civil society capacity. We have very strong laws on drinking and driving in this province. I would like to move to strong laws on distracted driving, but I'd like to say that it's the civil society, not-for-profit sector here that has really done yeoman service in getting out there and doing that, whether it's cycling safety, distracted

driving or drunken—I think we have to not keep our heads in the middle of government; we have to look to community and to citizens as partners in that.

We do have the safest roads in North America, which is quite remarkable, Mr. Chair, given the vastness of our land and the inordinately bizarre weather that we can have. That we have better and safer roads than Kansas or Iowa is quite remarkable.

We're up to 400% of what our traditional investment is in trying ways, without putting unnecessary pressure on hard-working families, to sustain that level of investment. I look forward to a robust and thoughtful conversation with the committee and thank all of you for your many hours of work. One of the hardest jobs in politics for MPPs is to do this kind of committee work,

and I want to thank all of you for the time you put in. It's sometimes thankless, but this is a very important part of the business we do. Thank you, Mr. Chair.

The Chair (Mr. Michael Prue): I need to be sure. Would this conclude your remarks? We have to stop at 6, but you have about one minute left if you want to come back next time.

Hon. Glen R. Murray: No, I'll cede the one minute to the Chair for best wishes.

The Chair (Mr. Michael Prue): All right. Before adjourning, we will be back tomorrow at approximately 3:45. We will start with the half-hour for the Conservatives, just so everybody knows where we're at. We stand adjourned.

The committee adjourned at 1801.

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Assemblée législative de l'Ontario

Deuxième session, 40^e législature

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Standing Committee on Estimates

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STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 6 November 2013

Mercredi 6 novembre 2013

The committee met at 1600 in room 151.

MINISTRY OF TRANSPORTATION

The Chair (Mr. Michael Prue): We have now reached the portion upstairs that's at orders of the day, which means that we are allowed to continue. We are here to resume consideration of the estimates of the Ministry of Transportation. There is a total of seven hours exactly remaining.

When the committee was adjourned, the minister had just completed his 30 minutes of opening remarks. The floor now belongs to the official opposition for 30 minutes. Mr. Leone?

Mr. Rob Leone: Mr. Klees.

The Chair (Mr. Michael Prue): Oh, Mr. Klees. Okay.

Mr. Frank Klees: Thank you, Chair. Minister, I'm sorry I missed your opening 30 minutes. I would have been enthralled, no doubt.

I'd like to take this opportunity to focus on Metrolinx; I see that Mr. McCuaig is here, which may be helpful. I first of all want to thank Mr. McCuaig for responding to my request, which I made formally as well as in the House, to receive a copy of the contract between Bombardier and Metrolinx for the procurement of light rail transit vehicles. I received that, along with a letter from Mr. McCuaig, this morning. In that letter, Mr. McCuaig went to some length to describe the fact that the original agreement, the original contract, which really was between the Toronto Transit Commission and Bombardier, was in fact an open bidding process, which we all acknowledge; we understand that.

Mr. McCuaig went on to point out in his letter, "Building from this competitive process, Metrolinx and TTC exercised"—

Mr. Mike Colle: Point of order, Mr. Chair.

The Chair (Mr. Michael Prue): On a point of order, Mr. Colle.

Mr. Mike Colle: As per usual, can we share that letter that the member is referring to?

The Chair (Mr. Michael Prue): If the member is reading from a letter, I think all members of the committee are entitled to see it, and the minister as well.

Mr. Frank Klees: Yes. I'm happy to share that with you. If you don't mind, I'll finish reading this, I'll give it to the Clerk, and he can copy it and then distribute it. Is that okay?

The Chair (Mr. Michael Prue): Absolutely fair. Go ahead.

Mr. Frank Klees: Okay.

Mr. Mike Colle: And also the contract he's referring to—our caucus would like one copy.

Mr. Frank Klees: I'm more than happy to share that with you. In fact, we'll get that to you before the day is over.

The Chair (Mr. Michael Prue): Is that acceptable?

Mr. Mike Colle: Well, I'd like to have it sooner, if it's available. If you're going to refer to it—

Mr. Frank Klees: I won't be referring to that specific contract in the course of my questions.

Mr. Mike Colle: Okay, then tomorrow's fine.

The Chair (Mr. Michael Prue): Okay, that's fine, if you're not referring to it. But those things that you are referring to, if you could make them available as soon as possible.

Mr. Frank Klees: I will do that.

The Chair (Mr. Michael Prue): And please continue.

Mr. Frank Klees: To continue: "Building from this competitive process, Metrolinx and TTC exercised the option included in the contract reserving the right to negotiate an acceptable price for up to 400 additional LRVs to operate on the upcoming Toronto light rail transit network." I'm happy to provide this to the Clerk now, if he wants to make copies.

This is where we part company with Mr. McCuaig, because the point that we're concerned with when it comes to the spending of money and the procurement process was exactly here; that is, the original contract that was subsequently assigned to Metrolinx by the TTC did contain an option for the purchase of additional light rail vehicles—up to 400. Metrolinx then assumed that contract and chose, when it came to the acquisition of 182 light rail vehicles, to exercise that option. It's our position that rather than exercising that option at that point, the appropriate thing to do would have been to put that procurement of the additional 182 light rail vehicles into a public tendering process. It's our contention, and we together, I think, want to determine whether or not in fact that was the right thing to do, to exercise that option and then enter into negotiation directly with Bombardier and exclude other proponents. If so, what were the consequences of that? I've made the comment, and Mr. McCuaig, in his letter, wanted to clarify and took issue with my comment that by exercising the option rather

than going to public tendering, it cost the taxpayers of Ontario an additional \$200 million, unnecessarily. I continue to maintain that that is in fact the case.

So I'd like Mr. McCuaig to undertake the following, if he would: He referred in his letter to Metrolinx reliance on an independent expert, LTK, who advised that the average price of \$4.2 million per vehicle, which is what the \$770.4 million under the Bombardier contract, spread out over the 182 vehicles, would translate into on a unit price—that apparently LTK advised Metrolinx and the ministry that that price of \$4.2 million compared favourably with pricing for similar light rail vehicles procured in North America. I would ask that that full report provided by LTK be tabled with the committee, and if that could be done without delay—if at all possible, Mr. McCuaig, if we could have that by Wednesday of next week, we have some committee hearings the following week, and I'd like to have an opportunity to review that study. Could we get a commitment to have that report tabled?

Mr. Bruce McCuaig: First of all, thank you very much for the question, Mr. Klees. Just to place this in overall context, there were a number of competitive processes that led to the exercise of the option, which is a fairly standard process to build into a competitive process—the original order plus an option for additional vehicles—so it was not in any way unusual to have a competitive process where there is an option provision that was built into it. The original competitive process that was run by the TTC did have up to 10 companies actually pick up the information related to the procurement, and ultimately there were proposals submitted by two companies, and they were both found not to be compliant, and the TTC cancelled that process.

Subsequently, the TTC entered into what's called a structured multi-phase bid process with three manufacturers, including Bombardier, Alstom and Siemens, all very reputable, international global companies, to deliver on light rail vehicles. Through that process, the TTC came to the conclusion that Bombardier was the best overall bid, both in terms of value and in terms of the quality of the product that was being provided. Again, that competitive process included not just the original vehicles but also the option for additional vehicles, which is what was then subsequently assigned to Metrolinx and then was subsequently exercised.

Now, we realize that in that process we should be looking at, in terms of a negotiation with Bombardier, what are relevant other procurements in North America so that we could have a reference price, and that was the purpose of retaining LTK to do an independent review and advice to Metrolinx in terms of other values. As you said, Mr. Klees, that came up with an average price across North America of \$4.7 million per vehicle, in comparison to the Bombardier price of \$4.2 million.

We will take a look at that report extracted from the material. We will, first of all, touch base with LTK in terms of any commercial information that they may have a concern with in that report, but I can endeavour that if

there are no concerns from LTK, we will supply that report to the committee.

Mr. Frank Klees: Thank you, Mr. McCuaig. I'm sure that in the interest of transparency and open government, you would want to provide us with a copy of that agreement.

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According to Waterloo council meeting minutes of July 10 of this year, the total base vehicle price of the light rail vehicles that they purchased as part of that Bombardier agreement was \$4,497,771. That's the base unit price. Those same minutes confirm that the all-in vehicle price is \$6,346,888.

We would ask that the full agreement that sets out the terms of the purchase of those LRVs by Waterloo region be tabled with this committee, along with all emails, letters or any other records of correspondence that relate to this procurement between Metrolinx, the region of Waterloo and Bombardier and its agents or representatives that relate in any way to this agreement.

The reason we think that's important is that it will help this committee to determine precisely what the discrepancies are between the unit price and the all-in price and what accounts for that. Could we have an undertaking to have that information presented?

Mr. Bruce McCuaig: The contract between Bombardier and the region of Waterloo is just that: a contract between those parties. We facilitated that process, but I'd be happy to undertake to go back and have a conversation with the region of Waterloo and Bombardier in terms of the release of that information. But again, it is a contract between those parties.

Mr. Frank Klees: Thank you. Given the discrepancy in the numbers that we've just discussed, the difference between the base price and the all-in price, we would request the committee be provided with a detailed accounting of that unit price that is incorporated into the agreement between Metrolinx and Bombardier and the all-in price. I noticed from the agreement that we received that most of that information was redacted. I think it's fundamental to us understanding what in fact Metrolinx was committing to in terms of that price.

So, specifically, we're requesting a detailed summary of the costs of the additional items that are included in the all-in price, such as spare parts, warranty, training, firming etc.—

Mr. Mike Colle: Point of order, Mr. Chair.

The Chair (Mr. Michael Prue): Yes?

Mr. Mike Colle: Is this a motion?

The Chair (Mr. Michael Prue): It's a request. The member may ask a request. If he's not satisfied with a request, he is free to make a motion that follows. If the deputy or the minister are willing to provide it, there's no reason for a motion. If they're not willing to provide it, then that avenue is open to the member.

Mr. Frank Klees: Thank you, Chair. My relationship with Mr. McCuaig and the minister has always been one of relative openness. That's why I'm putting it in the form of a request to the minister.

What we know is that all of these additional items are, as a rule, accounted for in contract awards, because if you don't include those, you really don't have a basis on which to make a fair assessment of whether or not a fair market price has been established. That's why I'm making that request, and if I could have your commitment to ensure that we have that information, that would be appreciated.

Mr. Bruce McCuaig: Thank you, Mr. Klees. We will need to, again, connect with Bombardier Transportation on this. The material that was redacted from the contract that has been provided to you was at the request of Bombardier, because they felt that the information would have a serious impact and seriously prejudice their competitive position, if that information was made available. I believe we have shared that information with you, in terms of Bombardier's concern with the release of additional information because of their competitive position not just in the Canadian marketplace but the global marketplace, and of course we are very interested in making sure that Bombardier is successful in marketing product from the facility in Thunder Bay.

But I'm happy to continue to have that conversation with Bombardier Transportation and see if there's any additional information that can be disclosed.

Mr. Frank Klees: Okay. I just want to make it very clear that I believe that that is essential information. It translates into more than \$2 million of a differential in the price of each vehicle. It can impact the overall decision significantly. I can tell you that the competitive information and market prices that we have across North America indicate that in fact the all-in price for similar vehicles has been more in the range of the base price that Waterloo, for example, has paid for its vehicles. So if we don't have the opportunity to analyze that and come to grips with that, I know that there are other light rail transit projects across the province, whether it's Mississauga or others across the province, that are going to be facing this procurement issue. I think we have a responsibility to make sure that all of those details are available to potential parties to the procurement process.

Having said that, my last request relates to the Ottawa LRT project. As we know, that project went out to public tender. We know that Bombardier participated as a proponent. We know that Bombardier did not win that contract. We also know that there was a significant difference in terms of the price that the successful supplier, Alstom, was able to make, compared to Bombardier. That causes us, obviously, reason for concern, because if in fact Bombardier was not competitive in that particular project, where does that leave Bombardier? Where does that leave Metrolinx and the government of Ontario, holding this contract for 182 light rail vehicles at a predetermined price, which, on a go-forward basis, may well not be competitive and may not be of market price?

We'd ask that the contract, that the light rail vehicle procurement for the Ottawa project, be tabled with the committee so that we can get a sense of what the price range was, what the market price was, for those LRVs.

That will help us establish how we go forward and just how competitive, in fact, the Bombardier contract is. Can we have that commitment?

Mr. Bruce McCuaig: From Metrolinx's perspective, I can't really comment on the Ottawa procurement. We were not a party to that process. We do not have possession of the contract between the city of Ottawa and the proponent, so I don't think I can undertake to provide that information to you.

In general, I could say that it's very important in all of these kinds of analyses to do a true apples-to-apples comparison. A vehicle from one community isn't necessarily specified in the same way, with the same features and requirements, as a vehicle from another community. So in addition to having just the base information in terms of the relative cost on a unit basis, you actually have to dive deeper in terms of looking at the actual vehicles themselves.

Mr. Frank Klees: Which is why, Mr. McCuaig, we would like to have the details of the contract—because it wouldn't take very long for us to be able to make those apples-to-apples comparisons.

I'd like to redirect my question to the minister. There is provincial funding, obviously, supporting that project. Obviously, the minister would have an interest in ensuring that he is well aware of how competitive those prices were and how they compare to the existing Bombardier contract, so I'd ask the minister for his commitment to provide us with that information.

Hon. Glen R. Murray: I don't have any problem with it, but again, I think the issue is that there are commercial and confidentiality issues here. I know a number of us in this room have been mayors of cities and towns or chairs of transit commissions that—LTK is a company that I'm very familiar with; it's one of the best in the business. It is not, I would suggest, an easy thing to do, if you think you can get this information and quickly sort out what is a comparative contract, having been through this many times in my days both as a mayor and in dealing with New Flyer, because of the complexity of every purchase—depending on whether you're doing kneeling buses or low-floor buses; what the weather conditions are; whether buses are winter-proofed; the level of disability; the scale; the period of time; whether it's a design, build, operate or maintenance contract associated with it. It is not easy to do comparators. We rely on very reputable, third-party companies that are sophisticated in doing that.

If the objective—and I think it's sincerely felt—is to get a sense of if we are getting value-for-dollar if you compare apples and apples, any monitoring I've seen is highly competitive. What would also be useful—I think Mr. McCuaig and the deputy just said that with the constraints of confidentiality and the permission of other parties, anything that we can reasonably give you is.

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But I would also ask the committee: This is not something that a layperson—any of us—could easily understand, and it might be very helpful to actually review some of the third-party studies that have been done.

We're not the only people out there in the field who hire third parties to do that.

The other challenge we probably have, which, as a former transportation minister, you're aware of—whether it's information technology, an Oracle platform—once you start down a road to buy a certain technology, to maintain the economies of scale or to manage those going forward, your choices are restricted as well. The importance of third-party evaluations is critical in those kinds of things to make sure, as you go to the next generation of a project, that you've actually got up-to-date market. It's not as easy as some may be suggesting.

With that proviso, and as long as we understand that it is a little bit more complex and it's hard to find two vehicles that are the same given the variety of contracts, I don't have a problem with your request.

Mr. Frank Klees: Okay. I understand that, and thank you for that. The most fundamental issue here for me is the difference between an all-in pricing and a base unit pricing, and, from what I have seen so far, there are some discrepancies that demand some answers here. I hear you, and I realize it's complex; I think most of us have the ability to work our way through some of those fundamental issues, at least, and I would look forward to your undertaking to receive that.

One last request I have for you: I have raised questions about whether or not Metrolinx has in fact exercised some convincing—I've used the term “coercion”—of certain municipalities to buy into or take advantage of the Bombardier-Metrolinx contract. What I would appreciate is if you could provide the committee with copies of any emails or letters, or any other record of communication, with Waterloo and Ottawa when it comes to this issue of procurement of their light rail vehicles.

Mr. Bruce McCuaig: Absolutely. We can provide that information. Just to confirm for the committee, we have facilitated Waterloo's interest in accessing the contract that we have with Bombardier, but it was entirely their choice, their decision, based upon what their community's needs are, based upon their analysis of the relative costs and benefits of going back out to the market. It was their choice to decide to go on with the Bombardier vehicle order that Metrolinx had under its control.

There was, from our perspective, no coercion in terms of directing that they take advantage of that, and the same thing holds true in Ottawa. Clearly, Ottawa built the LRT order into their competitive procurement for the project more broadly, so they actually decided that the technical specifications that were built into the Bombardier vehicle that's being supplied to Metrolinx needed changes. It was different than the technical requirements that the city of Ottawa had for their community.

Mr. Frank Klees: Thank you. Thank you, Chair.

The Chair (Mr. Michael Prue): Further questions? Mr. Clark.

Mr. Steve Clark: Thanks very much, Chair. Through you to the minister: Minister, during the Scarborough-Guildwood by-election, you, the Premier and your subway champion, Mitzie Hunter, made a \$1.8-billion

pledge to fund the new Scarborough subway line. In typical fashion, your government then, I say, broke your promise. You compressed the subway to a \$1.4-billion project, and at the same time, you compressed the line itself.

I think that's a shame. The feds and the city, I suggest, were on board with your original plan, and I believe that you are now holding up this much-needed and promised subway.

I'd like you to answer—through you, Mr. Chair—what happened to the social contract your government had with the people of Scarborough-Guildwood? Why did you lie? Why is there no subway—

Mr. Mike Colle: Mr. Chair—

The Chair (Mr. Michael Prue): Wait a minute. You cannot say it in the House; you cannot say it in committee. I ask you to withdraw.

Mr. Steve Clark: Withdrawn. Why is there no subway? I'd like you to take some time to explain what happened to the extra \$400 million that you promised the people of Scarborough-Guildwood.

Hon. Glen R. Murray: I appreciate the question, Mr. Chairman. Thank you. The money that was dedicated for the original LRT project that had been advanced by Mayor Miller and the chair of the TTC at the time, Adam Giambrone, was \$1.8 billion. That was our budget for a project that we had.

Mr. Steve Clark: And you announced that figure.

Hon. Glen R. Murray: At the time, yes. The \$1.8 billion was the cost of the LRT all-in under the original—I won't say “original”; under the MOU that was structured.

Many of our caucus—and you probably know if you talked to any of them, MPPs Balkissoon, Berardinetti, Duguid and others, who had been members of council—have for 20-plus years been arguing for a subway extension and most of the city of Toronto plans at the time had suggested the logical terminus, as it is in our growth plan, as the Scarborough Town Centre. It is the only large, significant cluster of employment lands and in many transportation plans was the proposed terminus and transfer point to other types of technology. There had been a great deal of logic in that.

When one city councillor moved a motion back in May that the city was going to reconsider its position on Scarborough and was prepared to adapt it to a subway technology, I had said to the people who came into my office in that period of time that we were open to that as a government and the Premier was open to that, but we wanted to see as few changes as possible—So we would commit and would like to continue along the alignment that runs through the employment land rather than going, for example, under single-family homes, because we knew that the subway stations would provoke development and we needed land that was employment-zoned and able to handle an upgrade or up-development.

All of the evidence that we've seen from the growth secretariat—what they're doing with the Canada Line in Vancouver—is that there is a very strong policy direction. You'll see that in Places to Grow and our growth plan

and in a plan that, when you were in government, you endorsed—which is to align it with employment. We wanted to continue on that line, and we made that known.

Mr. Steve Clark: So did you make a mistake during the election?

Hon. Glen R. Murray: We said that we were prepared to support a subway and would dedicate those funds.

The chair of the TTC and I think some other councillors decided that they had a different view and a different route, one that we estimated—Metrolinx and the transportation planning unit ADM—at around \$3 billion, and I would suggest it might be higher.

We had \$1.48 billion. Why was it \$1.48 billion and not \$1.8 billion? Where did the other money go? The other money is money that's embedded in the Kennedy station and in the integration with the Eglinton Crosstown line. That's what could be liberated from the other project, net. It wasn't \$1.8 billion because there were common elements to the Eglinton Crosstown, the Bloor subway and the LRT. So the net benefit was \$1.48 billion.

We advanced, during that period of time, a proposal that would see us commit not to delay it. The province would proceed to get the subway line as far as the Scarborough Town Centre, along the original alignment that had long been not only in the MOU but in previous transportation plans, to get it to what most of our caucus, and most people who have looked at this from a planning perspective in studies past—to the logical terminus, which is the large and denser commercial centre at Scarborough Town Centre.

What we had said, when I said discreetly at the time to my friends at the city—I wasn't able to talk to the province because, as is the habit, we went for six months without a conversation with the federal minister of transportation, who cancelled five separate meetings, most within the last hour before the meeting, to actually talk about this in the months leading up to it—was to extend it. We had a conversation, "Should we pick up LRT there, what's the best way to interface it? Is there an interest in extending it to Sheppard? Would the city and federal government pay a phase 2 to the project?"

We thought that was a rational, prudent approach, because we would deliver earlier than probably possible under other scenarios a subway to Scarborough Town Centre and would liberate the city and the federal government to collaborate on extending the subway further or to continuing with LRT, which is what the studies had shown was the optimal technology.

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That was the Ministry of Transportation's view on it. We collaborated with Metrolinx, with the growth secretariat and the Ministry of Transportation. I don't want to speak for Bruce or Metrolinx, because they were quite involved in looking at developing these options, and I appreciated their effort. We at this point have said, as we have before, that we'll respect decisions of the city council on this. We've asked for the EA to conclude both options—but are certainly open to the city, because we

don't want to get into a perpetual debate about which line it is.

I think we've shown reasonable flexibility. The city has taken a very hard line on it. We have some concerns that if the city cannot deliver all the revenue required to complete a much larger, more extensive subway project that looks like it will probably have equal or lower ridership, we don't want to be debating the Scarborough subway for another 10 years. So we have two plans going forward so that one can be a fail-safe for the other, which I think is a prudent and reasonable way to go, and actually gives a double guarantee that we will make good on our commitment to people—not just of Scarborough but on a citywide system. Access to Scarborough Town Centre, for me, is important because I have friends there and I want transit access. I don't own a car, so that kind of subway infrastructure's really important.

We also realize that Scarborough has faced challenges in the attracting and retaining of commercial investment because the subway stopped at Kennedy. So it was important to us, from an economic development and jobs perspective, to make sure that we were following through on what had been 30 years of discussion about actually getting it at least as far as Scarborough Town Centre. If other governments wanted to debate that while we were building, that was fine, but we didn't want to have a debate while no building was going on.

Mr. McCuaig, I don't know if you want to add anything to that, but—

The Chair (Mr. Michael Prue): He doesn't have a chance. The half-hour is now finished, and we go on to Mr. Bisson.

Mr. Mike Colle: Sorry—just a point of order. I wonder if we could get, for everybody's clarity, the maps of the proposed Scarborough LRT—the \$1.4-billion proposal and the \$3.2 billion—so that we can see the different routes that are being looked at.

The Chair (Mr. Michael Prue): I think it's a reasonable request. Can the ministry provide that?

Hon. Glen R. Murray: Sure. Yes. Metrolinx would probably have closest access. They're the signatories to the agreement, not the province. So Mr. McCuaig—

The Chair (Mr. Michael Prue): Can you get that for today or—

Mr. Mike Colle: We can wait until the next day.

The Chair (Mr. Michael Prue): All right, if there's no urgency on your behalf. All right, then, we'll ask for that—

Interjection.

The Chair (Mr. Michael Prue): Okay. Mr. Bisson.

Mr. Gilles Bisson: Hello, Mr. Minister. How are we doing today?

Hon. Glen R. Murray: As good as a dock in Moosonee.

Mr. Gilles Bisson: There we go. Good stuff. Just so people know what that's all about, in the town of Moosonee and Moose Factory, the only way you can cross there is either by boat or by ice, and we were successful this year in fixing the problem in regard to a permanent

docking facility for the water taxis in Moosonee. So that was work well done. Thank you.

Listen, you had given my northern colleagues and I this particular document, which is Ministry of Transportation—essentially, it's all the highways in Ontario and what their classifications are for winter road maintenance. You will know that we have raised this issue—John Vanthof, myself, Mr. Mantha, Madame Gélinas, Madam Campbell—on a number of occasions because of the real sense that winter road maintenance is not what it used to be.

I'm looking at this, and I'll draw to your attention—I don't care what page it is—just the classifications. For example, "A class 3 highway means that the plowing frequency has to be 3.3 hours, and it's 24 hours to restore to bare pavement" etc. Is this different? I don't see it as being different from what it was last winter. Was there a change? I went and looked at my notes from what I had from the year before, and I didn't notice that actually there's an increase in frequency or anything.

Hon. Glen R. Murray: I'm going to give this to the deputy for the technical part.

Mr. Gilles Bisson: Okay.

Hon. Glen R. Murray: The reason I shared those maps was because I found it very easy—

Mr. Gilles Bisson: Yes, it's very helpful.

Hon. Glen R. Murray: —to understand two things: What are the road classifications, because I've said to each of the members I've given it to—I also gave it to people in other caucuses who were in the north, where we had the complaints, so that if there were issues with the frequency, each MPP would have a chance to give the ministry some feedback on reprioritizing. There's also other valuable information, I think, which is who the contractor is and a bit about the cycle of those contracts.

We have \$9 million more going into snow and winter road maintenance to improve it this year. I haven't made an announcement about the allocation of those resources yet because we've been trying to do this, I think, fairly and in a non-partisan way to ensure that the deployment of additional resources will actually address the concerns. I've also been talking to mayors of northern municipalities on that same thing. But we are very close to that. You and I know many of your colleagues have been very helpful, and I want to thank you.

For the actual details, I will turn it over to Deputy Layton, who has a better handle on this than I have.

Mr. Gilles Bisson: Just before you go, specifically what I'm looking for is how this is different to what the standards were last year. That's what I'm looking for, just so we're clear.

Ms. Carol Layton: I also have Gerry Chaput here, who's the ADM for provincial highways management. But there should be no difference—

Mr. Gilles Bisson: Chaput?

Ms. Carol Layton: Gerry Chaput. Well, he's not a francophone, but it is—

Mr. Gilles Bisson: Well, it's Chaput nonetheless.

Ms. Carol Layton: Okay. I don't believe there's any difference in the classification or in the standards, but the one thing that the minister did note, which is important to appreciate—because we really take the winter maintenance of our highways throughout the province, and certainly in northern Ontario, very seriously—is that the incremental dollars that we will have for 2013-14 should translate into about a 16% increase in the equipment that you will see in northern Ontario, which is very, very important, because we appreciate, between the patrolling, as well as the sanding and the plowing, that that's an important feature.

Mr. Gilles Bisson: So you figure that you're going to be spending 16% more this year—

Ms. Carol Layton: A 16% increase in the equipment based on the dollars that the minister granted.

Mr. Gilles Bisson: In actual equipment; not just in dollars.

Ms. Carol Layton: In actual equipment on the roads. I can have Gerry—

Mr. Gilles Bisson: So more equipment.

Ms. Carol Layton: Yes, more equipment, and that's combination units, single units that have multiple purposes.

Maybe I'll invite Gerry Chaput to provide a little more articulation of that.

Mr. Gilles Bisson: Good for you.

L'hon. Glen R. Murray: En français?

M. Gerry Chaput: En français? Non.

M. Gilles Bisson: Mais oui, monsieur. Vous avez bien le droit ici.

L'hon. Glen R. Murray: C'est M. Murray qui parle français; ce n'est pas M. Chaput.

Mr. Gerry Chaput: Okay. Thank you very much, Deputy. We have increased—

Mr. Gilles Bisson: You know that unilingualism is something that can be cured.

Mr. Gerry Chaput: Yes, I am aware. My father would be insulted right now. Hector Chaput would be very upset with me right now for not trying to practise my French well enough for you—but for the purpose of making sure the right message gets across.

As the deputy and the minister have clearly said, a \$9-million increase, 42 additional units for the north—combination units. In other words, they're a unit that has both a plow and a large box on the back to spread material, whether it be salt or sand or a combination of those.

As you know, in the north we have a lot of sections of two-lane highway where there are passing lanes and truck-climbing lanes. To ensure that those are plowed at the same time as the main line, we've added these additional units. That removes the windrow that was sometimes created when plows went through on the main line. It certainly improves the capabilities for trucks to climb those hills, to take their time as they're going up and coming down, and it allows a lot more mobility for the people as they travel through the north on those long-distance highways.

Mr. Gilles Bisson: So, specifically to my question—I appreciate that—what I'm hearing is that as a result of all of that input from last year and all of those people who went to our website, and we got their horror stories and sent them on to you, there's been some effect. So you're saying 42 new pieces of equipment, a 16% increase.

I go back to, as I read my notes from last year—and mind you, these were, unfortunately, my handwritten notes, which were not as complete as they should have been. But as I looked at the classification, for example—I don't care; pick one. Class 4, frequency versus time to restore highway to surface—has that been changed? It hasn't, right?

Mr. Gerry Chaput: No, it has not, and I'm not sure, unless you're comparing it to another number that you've seen, but—

Mr. Gilles Bisson: Okay. Can you open—oh, you don't have this, but I'll just go through it with you. For example: Between the city of Timmins and Highway 11 between Cochrane and Smooth Rock Falls is Highway 655. It's currently classified as a class 3 highway. You're looking for input? That should go up. That's a highway that is used commercially, privately—

Mr. Mike Colle: Point of order.

The Chair (Mr. Michael Prue): On a point of order, Mr. Colle?

Mr. Mike Colle: I would really like to get—not right now—a little map of the general area—

Mr. Gilles Bisson: Yes.

Mr. Mike Colle: —so when referring to a certain highway, at least we have—

Mr. Gilles Bisson: I apologize. It's the only copy I have, and it's a point well taken, Mr. Colle.

Mr. Mike Colle: It doesn't have to be the whole complete series you have, but just one map of northern Ontario.

The Chair (Mr. Michael Prue): I would hope the Ministry of Transportation should be able to provide us with a fairly good, decent map of Ontario for the next—

Mr. Mike Colle: Free of charge?

Ms. Carol Layton: It's online, too.

Mr. Gilles Bisson: Of course, as we say in French, “je vais prêcher pour ma paroisse,” I will preach for my riding.

Just a couple of things: That 655, which is currently a class 3, is an extremely well-used highway, and I've never understood why that's class 3. It should be at least a class 2. And 144 between Sudbury and Timmins—we've had more fatalities on that road, a lot of it due to the condition of the road itself, as far as it's pretty wavy in a few places. But it's also a question of the condition of the highway, and I wouldn't mind getting some feedback on whether it is possible to move 144 and 655 up from class 3 to class 2 highways?

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I'm going to skip to one other one. It's a very small road, but it's nonetheless fairly important, and that's Highway 663, which is the road that goes to the reserve in Constance Lake and also services the sawmill. If you

read that, it's a class 5 highway, and it essentially says that you have up to 10 hours to put a plow on it, which means to say that sometimes we get stuck there, and 24 hours to restore the snowpack conditions. That's a commercial operation. I've never understood that thing, because I have found myself driving up there, and you can't get in. If you don't have your four-by-four truck—which I've got in my Ford F-150—you ain't getting in there. So that should be looked at, as far as an increase.

I'm going to speak for my good friend Mr. Mantha from Algoma-Manitoulin. I would be remiss, he would tell me, if I didn't raise the issue of 631. That's the road between White River, up to Highway 11, to Hearst. It goes through Hornepayne. That you get stuck on quite often, and it's, again, that 10-hour thing. We raised this with you before. So I put those into the mix.

The last thing I want to do, just as far as this map, then: I've got some estimate numbers I want to go through. There's this wonderful thing on the map, and I wish I could show it. It shows sections of highways. Here is, for example, a class 2 highway with a white spot on it, and then there's another class 2 highway with another white spot on it. That means the municipality owns those darn things. Those are highways; they're not municipal roads. If you try to go across Kapuskasing right now, it's probably the worst highway in Ontario. Why? It's not because Al Spacek, as mayor, doesn't want to fix it; they just don't have the money.

So what are you prepared to do in order to deal with these stranded highways that were downloaded onto municipalities by the Conservatives when they were in power? I'm taking my little dig there. Darn Tim Hudak—I think he was the minister at the time. Can you imagine?

Hon. Glen R. Murray: You and I have had this discussion. There are the standards and there are the standards, right? One of the things that we were looking at was, could we have, in-source, a response team, which—I'll be quite frank—was my first hope. Because of the nature of the way the contracts are structured, I can't do that as minister.

I talked to you and I talked to the MPP for Algoma-Manitoulin and the members for Sault Ste. Marie and Timiskaming-Cochrane, the northern members, and what we're doing is, we're assigning five, six, seven units to each of these areas in which the greatest problems were. So those additional units will be dedicated to those particular areas where we had MPPs who had that. That 16% will be quite concentrated, so it will probably impact much more significantly. It will give Eric and our regional directors up there the ability to deploy those.

What we've also done is, we've had sessions—again, our friend Mr. Mantha, if I can be so informal, MPP for Algoma-Manitoulin. We actually sat down, and we had a very lengthy meeting on road conditions, road repair and snow. So we've actually got Eric and our regional director to develop a plan with MPPs to do that, and what I've asked each MPP to do is to monitor it, realizing that it should be a lot better. But I've said to everyone upfront,

we'll screw up somewhere. It's a lot of snow and it's a lot of highways—

Mr. Gilles Bisson: That's what happens when you privatize, for God's sake.

Hon. Glen R. Murray: Well, you and I have some shared frustration with that.

Mr. Gilles Bisson: I thought we'd probably agree on that.

Hon. Glen R. Murray: So we're actually looking at remedying some of those things, but the balance between private and public service is here. This is almost all outsourced, and it comes with its challenges, I agree.

I think we've got a good solution to make it a lot better, and if we can maintain the collaborative relationship that we had last winter with the mayors and with the MPPs from the north of various parties—and we all have seats up there—I think that's very helpful. Gerry Chaput, our ADM, has been very much on top of this.

On the issue of that, one of the things that I've asked—and he's also the man who's doing it—is to start looking at highway classification in Ontario: What's a national highway, what's a regional highway and what's a provincial highway? Because I've got to tell you, when I go to eastern Ontario and I look at what is a local road, it looks more like it's part of a national highway system.

We've had 25 years in Ontario of people changing the rules—downloading, uploading, shifting, connecting links, everything—and it's a bit of a dog's breakfast. So this is one of the things I would like to do in this session, and I know my colleagues on the government side who represent those constituencies would, particularly on the Trans-Canada.

This came up at the national transportation ministers—Minister Ashton from Manitoba and I worked quite closely together to try to actually get a Trans-Canada designation and get the federal government to do what it used to do, which is match dollars. We gave them the example of the interstate system in the United States—that if we applied it to what I call the established 400-series highway system and the emerging 400-series highway system, which is the 11 and 17 and those, we could do that.

We're spending two or three times as much money as we've ever spent on northern highways before, but admittedly, that's not going to get us there in the next 10 years, so we need the federal partner. That's where we're at.

Mr. Gilles Bisson: Okay. Just for the reason of time—I know my colleague has some questions. I don't want to take up too much time, so you don't have to answer me with what you're going to do as far as classifications now. If you can go back and look at it, and then when I'm back here tomorrow or next week or the week after, whatever it is, we can deal with it—also, the connecting linkage with regard to Hearst and Kapuskasing.

I've got a bunch of questions that I'll hold onto till the next one, but I know my colleague over here, Rosario Marchese—

Mr. Rosario Marchese: I came to fill in.

Mr. Gilles Bisson:—came to fill in, because he is very passionate about some transportation issues.

Mr. Rosario Marchese: Because you have to go.

Mr. Gilles Bisson: I have a meeting with the chief of staff. That's where I've got to go.

Mr. Mike Colle: I hope you ask about the Dufferin bus. I'm going to ask if you don't ask.

Mr. Rosario Marchese: I just don't understand, Mike, why they're not helping you with the Dufferin bus. It's been 10 years.

Mr. Mike Colle: Thank you for your support.

Mr. Rosario Marchese: Minister and staff, welcome. I want to begin by asking: Why did the government select a P3 model and not a traditional procurement model for the Eglinton LRT?

Hon. Glen R. Murray: I think probably the best one to answer that would be Mr. McCuaig, whose project—he and his staff, along with Infrastructure Ontario, were the people who put this together and did the evaluations and can tell you exactly why and how that all came together.

Mr. Bruce McCuaig: Thank you very much for the question. Eglinton Crosstown, as the member knows and probably most of the committee members know, is a significant project—19 kilometres long across the width of the city of Toronto—which will have significant benefits to our customers who will use it in the future. It will save 20 minutes in travel time each way for those customers, going forward.

As Mr. Marchese indicated, we are looking to deliver that project as an alternative financing and procurement project. When we looked at this project, we felt it was well suited to being delivered in such a fashion, involving both the design, the build and the maintenance component of significant parts of it. It's really for four main reasons.

First of all, we believe that we and our partners can bring innovation to the table in terms of how we can effectively deliver and maintain the project and get some innovation from other projects around the world brought to us here in the Toronto region. So bringing innovation to the table is one piece.

Secondly, we also felt that—

Mr. Rosario Marchese: Can I ask you, Bruce, could you speak to the innovation component of it? What is that, actually?

Mr. Bruce McCuaig: For example, on building methodologies: When you think of building upwards of 10 or 11 underground stations across Eglinton going forward, it's going to be a significant construction undertaking and a disruption for the communities. One of the things we'd like to challenge Project Co. ultimately to do is to bring new ideas of how to minimize that period of time. We believe that by bringing this kind of a process together, we'll have an opportunity to bring those ideas to the table.

Mr. Rosario Marchese: I understand. And a traditional procurement could not bring such innovations to bear?

Mr. Bruce McCuaig: In a traditional procurement, typically what happens is that the owner, in this case Metrolinx, would actually design the construction methodology and set out the details on how we would expect the project to be delivered. What we're doing with an AFP is we're setting out the outcomes we would like to achieve. For example, one of the outcomes would be: How do we minimize traffic during the construction period? And we challenged Project Co. to come forward with some creative ideas on how they have seen different experiences around the world and bring them here to our environment in the Toronto marketplace. So bringing innovation is something that we think will be a big part of the—

Mr. Rosario Marchese: And a traditional procurement could not do that, is what you're arguing.

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Mr. Bruce McCuaig: As I said a few moments ago, traditionally in a design-bid-build process the owner would specify exactly how that would be done, based on our experience. That's not to say that our experience couldn't bring innovation to the table, but we believe that, by having multiple partners who have experience around the world and challenging them to bring forward ideas, we can actually bring some different and creative solutions to the table. So I think that's one really big element.

Hon. Glen R. Murray: Just on the innovation model: In the AFP process, there is something called a value-for-money and risk allocation. So if Marchese and Murray Contractors win a contract, and it's a design-build-and-maintain—let's say we're responsible for maintaining the project for 30 years. We've got a new composite material for vehicles or for subways that's easier to clean or easier to maintain and we've got a more energy-efficient heating and cooling system. We'll take the risk of that innovation in our bid. We might have a more competitive price, and we'll be able to manage lower life cycle costs. So it's a permissive system where the risk-allocation components of that—with a traditional design-build, it's hard to do that, because of methodologies prescribed.

Mr. Rosario Marchese: Okay. You're going to touch on some of these things as I ask some of the questions.

Hon. Glen R. Murray: Okay.

Mr. Rosario Marchese: I was just asking Bruce some of the questions because I wanted to know what innovation some outside provider brings to bear that you couldn't.

I want to ask you: When was the value-for-money comparison performed?

Mr. Bruce McCuaig: Value-for-money is a big part of the ultimate decision to go forward with the RFP. That's a process that has been performed by Infrastructure Ontario, in conjunction with Metrolinx, over the past months and ultimately will be part of the material that we bring to the Metrolinx board of directors, as well as to the Infrastructure Ontario board of directors, with the recommendation of whether or not to proceed with the AFP. Our target right now is to go forward to our boards in

December with that information, so that we can move ahead.

Mr. Rosario Marchese: When was it performed?

Mr. Bruce McCuaig: It has been performed over the past months.

Mr. Rosario Marchese: Just in this last month?

Mr. Bruce McCuaig: Yes—sorry, not in this past month; over the past months. It has been performed as part of the regular process that AFPs go through to ensure that there's value for money before the decision is ultimately taken to go down that path.

Mr. Rosario Marchese: Was there just one value-for-money comparison?

Mr. Bruce McCuaig: There's a number of times where it's done. Earlier on in the phase, because the decision to assign a project of this nature to Infrastructure Ontario is actually a government decision—and before government makes that choice, there is an earlier value-for-money analysis completed that forms the basis for—

Mr. Rosario Marchese: Who did that, again?

Mr. Bruce McCuaig: That would be done by Infrastructure Ontario, and that is advice that's given to the province.

Mr. Rosario Marchese: So Infrastructure Ontario did one already. When did they do that? Do you know?

Mr. Bruce McCuaig: Sorry, I do not have that information.

Mr. Rosario Marchese: Deputy?

Ms. Carol Layton: I don't have the exact date, but value-for-money is done formally three times. The very first time would be in support of when the submission goes to treasury board/Management Board of Cabinet for the assignment of the Eglinton Crosstown to Infrastructure Ontario. That would have been the first time that value-for-money was done, and that helped support the decision that it should go the AFP route.

Mr. Rosario Marchese: Do we have a date for that?

Ms. Carol Layton: I could get the date. I don't know whether—

Mr. Rosario Marchese: Because if there were three times that it's done, I would like to have the dates.

Ms. Carol Layton: It was last year, but we'll get you the date specifically. I don't have it right now, but we'll get it for you.

Mr. Rosario Marchese: But for the next meeting, we should have it. Is that correct?

Ms. Carol Layton: Totally.

Mr. Rosario Marchese: You can send it to me—through the Chair, of course.

Ms. Carol Layton: Absolutely.

Mr. Rosario Marchese: Okay. Altogether there are three value-for-money audits, and I think you said, Bruce, that Infrastructure Ontario prepared the first one or two and you did the third.

Mr. Bruce McCuaig: We worked very closely with Infrastructure Ontario, but they are the ones who are developing the actual value-for-money analysis.

Mr. Rosario Marchese: Okay. Minister, would you say that that's a possible conflict if Infrastructure Ontario

does it, given that Infrastructure Ontario exists to administer and promote P3s?

Hon. Glen R. Murray: No. They've done, I think, very, very good work. It's part of the process. They can't determine the outcome of it, in the sense that it's based on a formula. I think it's so well done that it is much repeated around the world by other governments and other agencies, and I think it would be fair to say that it's considered the gold standard for it.

If you read IO's annual reports, they summarize those there, and there is a young professor whose report I often recommend people read—Matti Siemiatycki, at Rotman, a very bright, young prof, who has done what is an internationally recognized piece of work on value for money. He's done a very thoughtful evaluation of all of the—

Mr. Rosario Marchese: He's a bit critical of it, is he not?

Hon. Glen R. Murray: Constructively, yes, and also critical and complimentary. We're doing something new, and a lot of it has been very successful. In our hospital projects, it's been extraordinarily successful. We're doing new and innovative things as a government. There's quite a lot of work that's been done on the evaluation system. It was that kind of input that has actually been used to improve the evaluation system.

One of the things I'm particularly proud of with Infrastructure Ontario and Metrolinx is that they have responded to the research in the field to improve the way they're doing these evaluations. I am signing off on a fairly regular basis for our senior management team and our professionals to go and present in other jurisdictions how to do this.

Mr. Rosario Marchese: Okay. I didn't think that Siemiatycki was complimentary, but I'll have to look at it in the meantime and see whether or not you and I have come to different conclusions on that one.

Hon. Glen R. Murray: That is entirely possible.

Mr. Rosario Marchese: That's right. Can I ask you how the risk premium is calculated?

Mr. Bruce McCuaig: Essentially what happens with Infrastructure Ontario is that all the various areas of risk are identified, and risk could be anything from schedule-related risk to budget-related risk to acquisition of property to permitting-approvals risk. The whole risk registry is developed along the range of areas, and in its essence there is an analysis done, both quantitative and qualitative, of how you would identify the risk levels for a traditional delivery model, as well as an AFP delivery model, and any other alternatives that you would like to compare against.

The idea is, through this risk registry and through this evaluation process, to try to quantify risks that are retained in various delivery models and risks that are transferred, since one of the opportunities from an AFP process is to transfer risk to a third party to deliver.

Mr. Rosario Marchese: I understand. Can I ask you, does the public get to see the methodology? Do we get to see it? Who sees it?

Mr. Bruce McCuaig: The methodology, I believe, in general has been made available in a variety of different forums, so I think the way in which the calculations are done has been made available in general terms.

Mr. Rosario Marchese: I was reading from a different—

Hon. Glen R. Murray: We'd be happy to get a briefing from Infrastructure Ontario on the methodology and how they do that. That's not a problem.

Mr. Rosario Marchese: That would be good, because I was reading an article here in the—a professor you probably know, John Loxley, professor and former head of the department of economics at the University of Manitoba, who does studies on these. He doesn't think these things are clear and/or available. There's a great deal of information that is not made available, and if information is not made available, it's hard to conclude, on balance, what the right one is.

Ms. Carol Layton: If I may add, Mr. Marchese, it just took me three clicks right now to Google Infrastructure Ontario and go onto their website. The value-for-money methodology is there, the risk assessment methodology is there, as well as a guide to Infrastructure Ontario's methodology of VFM. There is pretty good transparency there in terms of—in a general way. You wouldn't see it for each of the projects, but you'll certainly see the methodology for risk assessment as well as for value for money overall.

Mr. Rosario Marchese: Tell me: Is it proprietary? It's not? Everything is made available except something—

Ms. Carol Layton: The methodology is provided on a fairly summary basis, but I think it's pretty useful information—

Mr. Rosario Marchese: So we'd be able to see some comparisons? We'd be able to see it?

Ms. Carol Layton: Right on Infrastructure Ontario's website.

Hon. Glen R. Murray: John Loxley is a personal friend. When he was here last year, I hosted a workshop just upstairs, which I think about 20 members of the Legislature attended. John went through his critique. Part of the reason that this methodology is open and transparent and the subject of so much research is because we're doing that. We're actually trying to move our data and metrics out publicly right now because of that critique.

There are badly delivered AFP programs that are not transparent. I would say that what we're doing addresses a great deal of the concern. If you cannot compare the AFP process to a traditional delivery to actually see whether it's a saving that is being achieved or whatever the outcome is, then you can't.

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We think that's a very good piece of advice, and we don't apply it universally because there are lots of applications in which AFP just does not make sense and there are applications where it does. I think that Mr. Loxley's points are very well made and respected by this government.

Mr. Rosario Marchese: We'll review that.

How much do these value-for-money comparisons cost? Do we know?

Mr. Bruce McCuaig: I don't have that information, and I would also presume they vary quite significantly from project to project, given the nature and size and complexity of the project. We can certainly inquire to see if there are some references or benchmarks that we could give you.

Mr. Rosario Marchese: That would be helpful. Also, connected to that question, how do such costs, as well as other P3 transaction costs, factor into the value-for-money comparison?

Mr. Bruce McCuaig: It's a significant part of the evaluation to look at the transaction costs associated with an AFP process, because an AFP, by its very nature, can be a complex process. There are investments you need to make in that process to make sure it's effective and successful in the end. So it actually is one of the factors that's included in the evaluation.

Mr. Rosario Marchese: That's good. We know, from the reading that I have done, that these legal costs and transaction costs sometimes are not included in those comparisons, but in this case they are.

Mr. Bruce McCuaig: That is correct. Again, if you go to the general methodology and the information on the Infrastructure Ontario website, you may very well see—

Mr. Rosario Marchese: You'll see it?

Mr. Bruce McCuaig: I wouldn't be surprised if it's there. I will see if there's any other information that I can provide that demonstrates how it's factored into the process.

Mr. Rosario Marchese: Okay. Sometimes it's hard for the layperson to see those things, and maybe you see it better.

How much time do I have?

The Chair (Mr. Michael Prue): Absolutely nothing. I was just about to cut you off.

Mr. Rosario Marchese: Thank you very much.

The Chair (Mr. Michael Prue): It now goes to the minister. The minister has up to 30 minutes to reply, if you choose to use it.

Interjection.

The Chair (Mr. Michael Prue): No, you don't get questions yet. This is the ministerial prerogative to reply to anything you might want to say. If not, it goes back to the Conservatives, to start the rotation.

Hon. Glen R. Murray: I'm looking to my team here, as well, because I'm new at this. I'd like to address a few things that were said.

Mr. Clark raises the issue—and I think this is a very important issue. One of the things that we need to start doing a lot better in this government—certainly one Premier Wynne, as a former transportation minister, really drove—was to do three things. One is to actually look at aligning transportation infrastructure with land use. So when we talk about Scarborough—and we've done some interesting mapping of how much money goes in for all the different types of infrastructure in Scarborough and how much money comes out in taxes,

and what has happened over the last 30 years. How does the SRT that was built compare to a subway for economic impact? What are the issues of urban design?

If you've ever ridden the SRT to Scarborough, if you get off at Midland or Ellesmere or McCowan, you will see that in some cases, there isn't even a sidewalk that goes to the employment land. You're not exactly supporting employment with transit if you're not connecting the office buildings with a sidewalk. It's just a huge failure of urban design. There wasn't an integration of city planning with provincial transit investments. If you rode the SRT, you'd see that it had almost no uplift in value. Some of it is a degraded industrial site of abandoned buildings. When I rode the SRT and listened to people, they said it was an industrial wasteland.

Part of the reason for putting a subway in there is that a subway actually will provoke more intense development and higher buildings on land that is industrial, which isn't intensifying on someone's backyard. If you went the other route that the city has proposed right now, through single-family homes along McCowan, you can't exactly intensify. You can't put 30- or 40-storey buildings up because you're going to get upper-middle-class and upper-middle-income people with large lawns getting quite upset. You also know the ridership is going to be very low to zero on those lines, so you're going to be having high operating costs.

When we talk about the iCorridor system we're developing, or GeoPortal—GeoPortal was all the land data, and iCorridor is actually what the ridership is and modelling it. So transparent is this that you'll be able to download this on your laptop and look at different scenarios and actually pick from 17—I think it's the last number I saw—private, public, federal and municipal data sources, cross-referenced data, and actually understand what would happen.

You can't run a subway at a 3,000-people-per-hour capacity. You might as well buy everyone in that line a Porsche, if you want to do that. That hasn't been, for 50 years, the way we did modelling, or did that openly, so we're moving to integrate that.

The second thing that we're trying to do that's important is we're looking at highways and GO service—for 30 or 40 years, Mr. Chairman, we've said in this province that we have transportation corridors. Most of them are not really transportation corridors; they're highway corridors.

I think I made the point the other day that the 401 is 16, 18 lanes—I think, at some points, it's 20—between the service roads, the express lanes and the collectors. You can't make that any wider. You've exhausted the capacity and the cost of how many vehicles you can have on the road.

If you look at the GO system on the QEW, you've got a much smaller highway. It's four, six, eight lanes at most—and eight lanes only rarely—and the planning now between GO is integrated with highway planning.

That's a really critical piece of this that we're not doing.

We're also looking at employment land, because transit, whether it's in a small community or in a larger city, whether it's a bus service or a subway, has to go where people are. It has to be aligned with employment land. We never did that before. Through the 1970s, 1980s, 1990s and up, we never even produced data, as a government, under any party, that actually said where all the employment land was going.

In the last 10 years, we've added—the last numbers I saw—over 32 million square feet of office space to the GTA alone. To give you an idea of how big that is, Calgary has 32 million square feet of office space. We've essentially added Calgary to Toronto. When people say to me that Alberta's under some economic boom—we've actually added a Calgary to Toronto alone in the last decade.

When you go from six million people in the provincial capital to nine million between now and 2031, and you've had probably 40 or 50 years where you spent \$1 on highways and on subways and on rapid transit for every \$4 you should have spent, you're ending up with a huge transportation deficit.

We're looking to the opposition parties for solutions. Now, I know the New Democrats have suggested that this all come from closing corporate loopholes. Well, there just isn't the money there to do that, unless you want to have an uncompetitive tax environment for business. Given the mobility of talent and capital in what is a borderless trade economy right now, that's a tough call. I think, to be realistic, we need to do that.

The idea that you can find \$50 billion in capital and in associated operating from municipalities and partners to actually build that out just in Toronto alone, as my friends in the official opposition suggest, without any revenue source—I'd ask you to find one jurisdiction in the world that has ever done that.

I've watched Mayor Bloomberg in New York. I've looked at what has happened in Vancouver. I look at London, with a \$24-billion national government investment just to build two subway lines right now. I look at Paris; Paris introduced a payroll tax.

Every other jurisdiction that has built any significant transit project over a quarter of a century to solve their problem has done it with more than 50% or 60% or 70% of that coming from that. We're actually trying to beat that; we're actually trying to have new revenue as a last resort. But I don't think we're having a realistic conversation about it.

It's not just a problem in Toronto; it's a problem in Ottawa. Ottawa needs to intensify. Ottawa has a greenbelt around it and has not got the infrastructure requirements. The problems in Ottawa are largely related to trucking and to commercial traffic, which isn't properly distributed. It's a constant fight there, because you've got the National Capital Commission; you have the federal government, that has launched and cancelled more regional transportation master plans than any other government has; and then you've got Quebec. It's a bi-

provincial region, and so we try to work closely with Quebec. That's a challenge.

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In the north and across rural Ontario, we have a national highway system that's not a national highway system. You won't find any part of the interstate that runs parallel south of our border that isn't twinned, and it's 50% paid for, to this day, by the national government. We're picking up 95% of highway construction and maintenance costs. In the north, where it costs \$5 for every \$1 that it is in the south for a kilometre, five times as much—500% more—to build a kilometre of road is unacceptable.

I think there's a huge opportunity in this minority Parliament for us to actually do something remarkable: Tell people across Ontario the truth, which is that we cannot afford to bleed \$6 billion, \$8 billion, \$9 billion, \$10 billion or \$11 billion in lost productivity and lost summer jobs for our kids as an incredible premium on doing business in this province, because we are quickly devolving into one of the worst congested regions right now in North America. I'm not proud of that.

If you think you're saving money by not spending, you go and talk to the businesses about what this is taking off their bottom line. There's no other cost friction that we hear from the business community. The boards of trade all across the GTHA—the number one priority for government isn't "Cut taxes," isn't, "Don't raise taxes for this"; it's, "Fix the darned congestion problem," because for every warehouse, every business transaction, every employee they have trying to get to work, every good they move, they're paying an incredible premium that's more significant. One of them said, "Thank God for the HST because it cut \$8.5 billion from the cost of doing business in Ontario," but that doesn't even cover the cost of congestion within the economic region.

I don't know how Dryden, Ignace and Marathon compete in northern Ontario when they have to compete along their highway and trade route with the one that runs south of the border that's four-lane twinned, has more intersections, and there are subsidies for secondary highways.

Burlington—the great city of Burlington—right now wants to slap an IKEA right on an intersection. Why? There's no secondary commercial highway. IKEA will increase its retail business by 15% at the expense of taking one of the major feeder intersections and cloverleafs onto the Queen Elizabeth Way. You have 50 years of underinvestment by orders of government in that, and then you try to use your regional highways for big box retail and expect them to be the backbone of your feeder system into the QEW and think you're going to solve congestion.

So when you talk about classifying highways and restricted access, that's what integrated land use planning is. You've actually got to look at a highway. Is it a go-through highway that gets you in and out of a region, or is it a go-to highway that serves a local commercial function?

These are tough decisions. If we want to play traditional politics, where the people of Ontario gave us a minority government—the great advantage of a minority government is, we could actually complete our national highway system if all three parties decided to do it and made the tough decisions to raise the money and find the savings to do it. We could solve our regional transit problems in Toronto and Ottawa if we were honest with people and we actually told them what the real costs of things are.

The deficit in rural Ontario for water and sewer—we just built a sewer treatment plant in Ignace. Now they need a water treatment plant. There is not the tax base in Ignace to do it—and dump all over Toronto all you want. It's the tax surpluses that come out of the big cities—when I looked at the numbers in my tiny neighbourhood, we spend \$70 million more in property taxes than we get and about five times that in taxes, and we don't need it. I live in a small building stacked 300 high. So the tax surplus of large cities goes out to small rural communities, if you look at where the accounts are transferred.

So when you see the Conference Board of Canada's report that people in Toronto pay more than their share right now of highways: Where does that money go? It goes into \$600 million and \$700 million a year in northern highways. It goes into several hundred million dollars in rural roads and bridges because, for those communities to grow, they need the culvert; they need the water treatment plant. Maxville: We've talked about this. It's \$56 million to run it from Cornwall to Maxville, and when you put the roads and highways and transportation infrastructure, and with an aging population—seniors—there isn't the tax base to do that. It's going to have to be redistributed.

There's a huge opportunity for all of us to take the next 12 months and say, "Let's show some remarkable political maturity. Let's actually complete our national highway system, solve our urban transportation system and fix rural infrastructure deficits where there are issues of criticality." What is stopping us from doing that?

I know that a lot of us around this table were municipal politicians. That's how we all worked municipally. You had your differences, but we did that.

I always think estimates is a really interesting opportunity right now, because all of us are talking about real issues that we know need to be solved, and sometimes the biggest impediment to solving them is that we poke each other in the eye and are prepared to take early political advantage of any strong and courageous decision to do that. The Premier has laid out and charged me with, "Fix the problem. Be realistic. Find the savings wherever you can, but fix the problem."

So I'm interested in that conversation today. I think if you go back to your constituents, whether they live on Hurontario or whether they live in Alexandria on a dairy farm—I spent most of my summers, as a kid, on a family dairy farm. I know where the infrastructure and transportation deficits are. They're fixable, but we have tradition-

ally underinvested in this province for decades down that road.

I am very optimistic that we're moving in a positive direction. I think the prices of underinvestment in infrastructure all across Canada—I don't think there is a province that isn't facing these kinds of challenges right now, and I think there is an opportunity for some harmonization of some priorities that we can move forward on.

The Windsor-Essex Parkway project is a really critical one, and we talked about AFP. There's the strength of AFP. People screw up on projects, you have a subcontractor with which there were problems—100% of the bill being picked up by the private sector. No negotiations, no protracted legal suits—it's done. And that's over 500 girders that are being replaced, remanufactured. There's even a benefit. I think there are 900 more jobs that are being created right now, as a result of this, for Windsor-based companies. So I think that's a good contract. Do you know what I mean? People love to point out where governments—and it certainly has happened a lot—where one capital project or a cancellation of a project here or there has caused problems.

We went through, and it's not just what you build; it's what you cancel sometimes. That may sound a little obtuse or odd. The interprovincial bridge in the Ottawa Valley was cancelled. Why? Because the municipalities on both sides and all of our MPPs and city councillors and the public said, "We don't want this there." We responded early, before money was spent, to cancel it and to get it out of the way, and now we're working with the cities and the municipalities to build a better solution along those kinds of lines.

We have to be much more proactive. The presidential bridge in Windsor is a critical piece of infrastructure, all the way up to Leeds-Grenville. Do you know what I mean? That access point isn't just for people in Windsor-Essex; it benefits everyone. I have people saying to me, "Why the heck is the province paying for that? Why don't you just let people in Windsor pay for their own parkways and roads?" Or "Why do I have to pay for a subway in Scarborough? I live in downtown Toronto." Well, we all benefit from that. You can't have a trade route that stops at the border of Essex county and doesn't go on. The value of it to people living in Toronto or Ottawa or Cornwall—pick a community—is based on that kind of integrated, complete system. I think the needs of those communities are so critical in this economy that it requires some sense of consensus, moving forward, on those kinds of priorities.

Mr. Chairman, how much time do I have left?

The Chair (Mr. Michael Prue): You have about 13 minutes.

Hon. Glen R. Murray: Thirteen minutes.

The Chair (Mr. Michael Prue): You don't have to use it. It's your 13 minutes. If you want to, please feel free. If you've said everything you need, then the time left is divided equally among the three parties.

Mr. Mike Colle: You should be responding to all their questions.

Hon. Glen R. Murray: Okay.

The Chair (Mr. Michael Prue): The questions come after. After you're finished, the remaining time, which is five-plus hours, is divided equally, so if you stop—

Hon. Glen R. Murray: Okay. So I don't feel so bad. If you guys have five hours, I don't mind taking five or 10 more minutes. I was starting to feel guilty there for a while.

The Chair (Mr. Michael Prue): If you stop, the 13 minutes will be four minutes to each party.

Mr. Rosario Marchese: Minister, don't forget the buses on Dufferin before—

Hon. Glen R. Murray: All right.

Mr. Mike Colle: Yes, I hope he refers to the—I got some good news on that front, by the way.

Hon. Glen R. Murray: Oh, my Lord.

Mr. Rosario Marchese: Let me know.

Mr. Mike Colle: I'll let you know afterwards, in confidence.

The Chair (Mr. Michael Prue): The floor belongs to the minister. You have 12 minutes left.

1720

Hon. Glen R. Murray: Thank you very much, and thanks for the help in knocking off one of those minutes. What a team we are here.

I do want to go back to value for money and the issues. Risk allocation is an interesting concept. What we've generally done is, we've used it as an insurance policy on major billion-dollar-plus projects to protect ourselves from failure. We pay a modest premium upfront, usually something like about 5%, to ensure that the private contract or the private side absorbs all of the risks and costs. It was tested probably more than we ever imagined it would be on the Herb Gray Parkway, and I think it worked.

I think this is an interesting conversation, and when the member for Trinity-Spadina raised it, it was insightful and thoughtful. The risk allocation: If you want to introduce a new material and you've got the maintenance contract for it, or you want to introduce a hydrogen technology for the first time in a transportation vehicle or something like that, and you're prepared to absorb the risk of it and pay the cost of failure or replacement if it doesn't work, you can do that through an AFP process. There's an upside to the risk if you're successful with your innovation, and on the downside, you have to cover the cost, the loss, the replacement—whatever—if it doesn't produce the outcome that it's supposed to.

One of the things for AFP, beyond the ideological debates that sometimes go on around these things, is the capacity for innovation, which is where we're trying to move that more now, into innovation. Can we get more fuel-efficient vehicles? Can we get cleaner engines, cleaner technology, cleaner fuel sources? Can we get lower maintenance? You can't make engines go much faster or use less fuel, but the investments we're making through the Canmet centre and innovation factory in

Hamilton, competing with Sydney as one of the leading centres in advanced composite materials, mean you can make anything from automobiles to airplanes to transit vehicles to trains out of lighter, stronger, safer materials, which require a lot less fuel to move, give you a lot more flexibility in design and are a lot more environmentally sustainable.

There was a great report that came out from the Council of Canadian Academies on how you build innovation into the procurement process. It pointed out that the problem, especially in large transportation infrastructure, is that there is no ability to meet safety standards without a methodological prescribed standard. If you want to do innovation, it's tough. So where we would like to go—at least, I and I think many of the professional staff within Infrastructure Ontario and the Ministry of Transportation—is to look at using risk allocation to actually help manage the innovation agenda going further.

I would be very interested in looking at it through traditional procurement ways—and you asked the question, I think, very sincerely. One of the ways you can do that is, you put out an amount of money and you ask people to bid for whatever value can be created for \$200 million to build that. That does incite more innovation, but it hasn't yet competed with that. When you talked about John Loxley—he's a friend and someone I greatly regard—I think his critique about transparency is very valid. If you compared Infrastructure Ontario's website, with the amount of the information that we've already put out and are putting out, it's important—because I don't think government should be afraid to try something and then find out that the way they were doing it before was better, or that it was a breakthrough in one way but not another, or that it was a complete success. But if you're requiring absolute success, 100%, in every innovation, you're never going to have innovation. There's no capacity for learning.

One of the things I'm trying to do as minister—and I think from what I've heard from my colleagues and certainly my deputy—is to create a space for people in the public sector to be a more innovative public sector. We're looking at all kinds of public sector systems to do that. We're looking at innovation on snow removal. Part of the way we're using those contracts, even though some of your colleagues in the north have raised this issue—we've managed to restructure it to find some capacity to allow new approaches. It's in the shallow end of the pool of innovation, but it's significant on a short-term basis going forward. So those kinds of things are important.

The other thing I want to touch on, which is what the MPP for Newmarket-Aurora raised—this idea that you can somehow compare one contract for subways, buses, GO trains or anything with another is really, really hard, because we change based on aging demographics, all kinds of things that we change based on vehicles. I don't have any issue with really legitimate criticism on fair pricing, but to sort of say that, because X put a whole bunch of stuff in there, or bought at a particular scale in a

particular community in a particular climate, with a complete structure to the vehicle—when you're buying a base platform, how do you compare someone who put in high-speed HVAC heating-cooling in the south to someone in the north in a smaller community who has a bus that does kneeling and has all kinds of kneeling technology? You just simply can't do that.

I think the question about value is—the importance of these third-party organizations is that they actually have an approach to doing that. If the official opposition wants to explore that—I work very hard, as does the deputy, to make sure we're getting the best value for tax dollars. I have been surprised myself, and I come from a background of having managed some large budgets for many years that had large transit and transportation components. At the municipal level, where your budget relationship is much more hands-on, it is very, very hard to do that.

But we're getting excellent, excellent value. If you go and look at anything—that Bombardier is competitive in New York, or any of those kinds of things, and you look in real time about the value of the projects that we're getting, we're doing really, really well. The LTK evaluations are some of the best; some of the very best. When you see them independently doing that—because I've been on the other end of receiving, where I've seen numbers go the way you wish they didn't, where yours were actually higher—that's quite remarkable, that we've got that kind of differential in price, to the positive.

I would hate that we distort that. I think that sometimes in the public service we're very good at shooting ourselves in the foot and eroding what I think is one of the greatest things in Canada and in this province: Whether you're a Liberal, a Conservative or a New Democrat, we have all been served by an extraordinarily professional public service. I know my friend from Newmarket—Aurora and I have often commented on the transportation ministry and the culture at MTO; what a positive and professional organization we have.

We in the Legislature, I think, don't often pay the kind of due to an incredibly ethical, uncompromisingly professional public service—the broader public service in that. When you look at having done work in Ukraine, where you show up with—oh, I don't want to say that, because I don't want to get the Ukrainian community and government—suffice it to say that there are some challenges in dealing with the public service there, in ways that are somewhat challenging.

We take that and we level what I think are sometimes low-grade things, and question the integrity—I don't think there's a process for procurement of public transit vehicles in the world that is as rigorous as ours. I'd be hard pressed to find a jurisdiction right now, a country where we haven't had some positive exchange where they're here looking at our procurement process, our review, our integrity, our accessibility standards for disabled access, the scaling, the bundling, the data and metrics that we use. The Ministry of Transportation is one of the world's teachers about how you run transportation.

MetroLinx is a very new organization. I think it's doing an extraordinarily good job. Their interface and collaboration with the TTC—we've just assembled the Presto card and, for the first time, integrated fares all across the GTHA. Do you know how hard that is to do? That is a remarkable accomplishment that Bruce and the team will be doing and are doing, and our friends here in MTO have provided support.

I may be a half-cup-full kind of guy, but for those of us—I know my friend from Leeds—Grenville—having come from the Prairies for a period of time in my life; I left Ontario and came back after almost 25 years of living in Ontario—when you've lived somewhere else that doesn't have the budgets or the kind of capacity that we have, it's quite remarkable. We sometimes take it for granted. I always used to tease my friends in North Dakota. They would be a really successful place if they had a big city or two.

If we can actually integrate the advantages, whether it's the scale of purchasing or that kind of stuff, we're very, very lucky. We're also remarkably lucky—when you go to my friend's constituency over in Galt, MPP Leone—Cambridge, sorry—I think it's one of the biggest blessings we've got, that we've got communities like that. We're building transportation there. How do we build transportation in Kitchener—Waterloo and Galt to connect those schools without losing the identity and history of those communities, which are historic, foundational and the manifestations of the culture of Mennonites and Scots and all kinds of other folks who settled in there and actually built modern cities that maintain the heritage of the past? That comes up over and over again there.

Mr. Chair, am I close to being put out of my misery mercifully soon?

1730

The Chair (Mr. Michael Prue): No, you have three minutes left, if you choose to use them.

Hon. Glen R. Murray: Three minutes left? Then how much time do you guys get?

The Chair (Mr. Michael Prue): Then there's five and a half hours, that is split evenly, to ask you questions.

Hon. Glen R. Murray: It's like that old joke. A politician—

Mr. Rosario Marchese: Don't forget the bus problem on Dufferin.

Hon. Glen R. Murray: There was an old joke when I first became mayor. Someone said to me, "Now that you're a politician, you're one of those people who sees light at the end of the tunnel and orders more tunnel," and I finally have a job in politics where that's actually a good thing, I think. Anyway—

The Chair (Mr. Michael Prue): You're down to two. You've been very successful.

Hon. Glen R. Murray: I knocked one off. Anyone want to jump in at any moment right now? I'm looking to—

Interjections.

Hon. Glen R. Murray: Pardon me?

Interjections.

Hon. Glen R. Murray: My deputy, actually, wants to get two minutes in here, I think.

Ms. Carol Layton: Yes, just maybe—

Mr. Mike Colle: No, no—

The Chair (Mr. Michael Prue): No, no, the floor is hers.

Ms. Carol Layton: Thank you very much. Actually, I'll compare notes with the Clerk later, Mr. Chair, in terms of the number of requests. I think, by my count, it's about 11. I think I can actually address one of them, which is for Mr. Marchese, and that is, when did the Eglinton Crosstown value-for-money assessment go to treasury board and Management Board of Cabinet? It was about a year ago, about mid-November 2012, and then it would have followed at cabinet just a few weeks after that.

Hon. Glen R. Murray: I've read a lot of them. If you're having trouble falling asleep at night, I'm really happy to share them.

Ms. Carol Layton: Actually, just on that, I said it takes about three clicks, if you go on the Infrastructure Ontario website. They list a number of the projects that are completed, about 34. They also list those that are under construction, and there's a whole bunch more, and Eglinton is in there under the RFQ.

For all of those 56 or so projects that are either well under way or complete, you can see the value-for-money analysis for each one of them.

Mr. Rosario Marchese: Thank you.

Ms. Carol Layton: Thank you.

Hon. Glen R. Murray: Do we have a minute left? I'd like to keep the—

The Chair (Mr. Michael Prue): About 30 seconds.

Hon. Glen R. Murray: I was going to try to give you a whole minute back, but I'll settle for 30 seconds.

Mr. Rosario Marchese: The Dufferin buses.

Hon. Glen R. Murray: I love the Dufferin buses, and we should find some more.

Mr. Rosario Marchese: But Mike doesn't.

Hon. Glen R. Murray: You don't like them? I'm sorry. I hate the Dufferin buses, and we should shoot them all.

Interjections.

Mr. Mike Colle: Wait until I get my chance. I've got some good questions for the Dufferin bus.

The Chair (Mr. Michael Prue): I can see you'll be quoted in many different ways.

Mr. Mike Colle: There are 55,000 people every day that are jam-packed into the Dufferin bus.

The Chair (Mr. Michael Prue): All right, that would exhaust the time for the minister. We now go into 20-minute rotations, beginning with the Conservatives.

I just want to say, though, that there may be a bell; I expect one. If there is a bell, depending on the time of the bell, that may conclude us for today, but we'll see when it rings and we'll make the judgment then.

You have 20 minutes.

Mr. Jeff Yurek: Thank you, Chair. Thank you, Minister, for that half-hour talk. I'm new at this job. I've been here two years, and I don't think I have the ability to ramble on for 30 minutes.

Mr. Steve Clark: Oh, yes, you do.

Mr. Jeff Yurek: It's a talent, to keep going, to ramble on. If you talk to my wife, I ramble. I take everybody on rambles.

My wife was here this week, by the way, and my daughter, and they quite enjoyed their time here. It was nice to have them here.

I'll just lead off from what my colleague Rod Jackson asked this morning of Minister Chan about the transportation plan for the Pan Am Games. In reviewing your results-based plan briefing book, you yourself say the transportation master plan would be completed in 2013. How is that coming along? Is it to be released soon, or what have you?

Hon. Glen R. Murray: Sure. I'll turn it over to the deputy, because I'm sure she has something to say about it.

I was on the planning committee and have hosted one Pan Am Games in my life—the last time it was in Canada—and I think it was recognized as an international success. It came in under budget.

It is, I want to tell you, one of the most exciting things you'll ever be part of in your life. We've never had an international sporting event, ever, anywhere near this scale and, as a matter of fact, nothing in Ontario that ever came close. There was the Commonwealth Games in Hamilton in the 1930s, but at that time it was a pretty small club.

One of the things that saddens me about this is that—this is pretty exciting. Part of the decision here, which is the challenge, is that it is spread over 10,000 kilometres, because communities like Minden and Welland are very much a part of this. The idea was that this shouldn't be an urban-centric thing. We talked a little earlier about urbanization and how we often don't recognize the importance of small communities.

To transportation and security planning, which is again my second time being involved in this event: I can tell you that we are well ahead of schedule, I think, on a lot of it. I'm very comfortable with it, for the second time having been through security and transportation planning in a system that covered much less geography. We're very close to a master planning process, but there are more variables here because there are security issues. Who's attending affects security—whether the President of the United States comes; there are all kinds of things that are consequential.

There are a lot of components to how you connect communities. How you make those decisions—they aren't unilateral decisions of the provincial government. They have to be worked out. I know that my friend from Leeds-Grenville, as a local mayor, will know that those kinds of things—what streets you use; what transit you use; how you use local transit; how you have the interface between provincial transportation choices and local

transportation choices; security issues with athletes from different countries—having been through Cuban baseball players, if you want to Google “Winnipeg” and “Cuban baseball players,” you will understand some of the conundrums you get into and the unusual things you have to plan for.

It's not like, “Yes, we're moving a vehicle from here to there.” The transportation planning is much more complex and much more integrated.

Is it there? Is it covered? Yes. Am I comfortable with it? Yes. It's not finalized yet, but it is certainly on track and on time. I'll leave it to the deputy to give you the technical pieces of it.

Ms. Carol Layton: Just to add a little bit more to that: The minister spoke about the 10,000 square kilometres; that alone is unprecedented, to do transit planning for that large a footprint. There are 24 competition days, and there are training days as well. We're talking about 26 different regional local governments involved, as well as 30 competition venues, so there's no doubt that the transportation planning for that is pretty significant.

The transportation master planning—which is under the leadership of my colleague John Lieou, who's one of the ADMs with the Ministry of Transportation—is indeed very well in hand. It will be done for 2013, and we certainly would want to be very open in sharing that. We already are sharing it with our many, many partners: the different transit authorities and the different local governments. Metrolinx is a key player, and the TTC is another one in that.

This is not a document to tuck away. This is a document very much to be shared, so people can appreciate it. There are many, many elements to it, but what are critical are two; first of all is defining that games route network that we have. You know that when we travel on our highways we have congestion, and you know that when you travel on city streets we have gridlock. You have that now, and we have to—in considerably less than two years, now—be able to give assurance to the thousands of athletes, coaches and all that who come in, and the 1.4 million ticket holders who come in—first of all, we have to give them reliability on their travel times, but for the rest of the city—the shippers and all of that—we have to give them a city that still functions. So that games route network is something that we certainly are developing in a micro way. That's the next stage after the master plan is done.

The second thing would be all the opportunities to affect demand on transportation. It's something called transportation demand management, really focusing on getting people onto the transit system and off of the roads, but working with shippers, workplaces and local governments around roadworks, working on way-finding and working on trip planning. There are many, many aspects to it, and we'd be happy to have the opportunity to share that or take you through it, perhaps through a technical briefing.

Hon. Glen R. Murray: Very quickly: The other thing we have to appreciate is, unlike—

Interjection.

Hon. Glen R. Murray: Okay. Just very quickly, because I think it was a sincere—

The Chair (Mr. Michael Prue): It's a 10-minute bell, so we're going to proceed for about another five minutes.

Hon. Glen R. Murray: Okay. One of the big differences I'm finding in this déjà-vu-all-over experience with the Pan Am Games, the other level of complexity here that is making this very hard, is that this is the first time we've had the Parapan Games. The mobility issues, when you have athletes who have physical disabilities or different mobility issues—the complexity of moving people in a respectful and dignified way, to do that and to provide the facilities, is much more complex.

Those are the kinds of challenges. If people suspect that, because we haven't rolled out a number, we're trying to hide something: We aren't, because you can't determine it. There's a very large budget for this, in which certain numbers shrink and grow. In my experience last time with the Pan Am Games, we didn't actually have final numbers until after. As a matter of fact, I can tell you we didn't put out numbers before because we weren't sure. We were accountable to meet our budget. It wasn't because I was trying to be deceptive when I was mayor; it was simply because I didn't want to put numbers out there that I knew were going to change, because the structure of the games, levels of participation—things happen over the event that actually change the outcome. When you're running two major events, and you have different mobility issues and different complexity, costs can go up and down from week to week.

Is it covered within the budget? Yes. Do I think there's a problem? No. Can we give you ballpark numbers at one point? I think so, but that's not going to be in the next couple of weeks. We're not there yet because there are too many things and too many interfaces. Municipalities will be covering parts of these costs.

I will tell you what I would say: I don't think you'll have definitive numbers. If we have the same experience that we had the last time the Pan Am Games were here, the numbers won't be very firm, probably, until the event is over. I wouldn't be fearful about that. It's not hiding; it's just the number of variables in these kinds of things is just not measurable. If you put out numbers before, and then they change, then people say, “Well, then, you weren't telling the truth. You didn't know what the numbers were.” That's why the budgets are complex and flexible.

They are within normative budgets. It's certainly being taken care of. There has been a working committee. Myself, Minister Meilleur and Minister Chan met several months ago when we first got appointed. I'm very confident that we are well on track for that. But this is not as simple as it seems.

The Chair (Mr. Michael Prue): Okay. There are about six minutes, so I don't want to keep us any longer.

We have a couple of choices, and I'm in the committee's hands, but given that it's going to be six

minutes and then a standing vote, it will probably take us to about five to 6. I'm not sure whether it makes much sense to reconvene. Is anybody adamant that we reconvene? We can, legally, or we can just adjourn for the day.

Interjection.

The Chair (Mr. Michael Prue): No, okay. Then I'm just going to order it. We don't need a motion. I don't see

anybody rushing to get back here at five to 6 for five more minutes. Therefore, we will adjourn for the day.

When we return, the Conservatives will have an additional 10 minutes, and then we'll go in rotation to the New Democrats after that.

We will be returning a week from Tuesday at 9 o'clock in the morning. We stand adjourned for the day.

The committee adjourned at 1741.

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Tuesday 19 November 2013

Journal des débats (Hansard)

Mardi 19 novembre 2013

Standing Committee on Estimates

Ministry of Transportation

Comité permanent des budgets des dépenses

Ministère des Transports



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 19 November 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 19 novembre 2013

The committee met at 0902 in room 151.

MINISTRY OF TRANSPORTATION

The Chair (Mr. Michael Prue): We are here to resume consideration of the estimates of the Ministry of Transportation. There is a total of five hours and 19 minutes remaining. When the committee was adjourned, the official opposition had 10 minutes remaining in its rotation.

Before we get to that, all members have before them a letter dated November 18, 2013, from Carol Layton, outlining the documents which were requested by the committee and which have been offered up in written form—six of the eight. So you have six of the eight documents here offered up in written form, and the remaining two are available—

Interjection.

The Chair (Mr. Michael Prue): Excuse me, seven documents—five of seven, not six of eight.

The remaining documents are available. They can either be given to the members on a disk or on a key, or the members can ask that they be transcribed, but I understand they're quite voluminous. I'm in the members' hands: Do you want it on a disk, a key or do you want it in writing? Any discussion? Anybody proffer an idea? Mr. Leone.

Mr. Rob Leone: We would like them on a USB key, if possible.

The Chair (Mr. Michael Prue): All right, I'm seeing nods all around for the USB key.

Mr. Mike Colle: I think that's acceptable; sure.

The Chair (Mr. Michael Prue): Then we have the USB key, and we will make that available sometime later today.

Mr. Mike Colle: On a point of order: I'd just like to thank research and staff for the winter maintenance maps—I think they're really helpful—the Ontario map and all the documents we got. I especially want to thank them for making these maps available through all of Ontario. Thank you very much.

The Chair (Mr. Michael Prue): Then, without further ado, it now being, according to that clock, three minutes after 9, we will start with the Conservatives. You have 10 minutes.

Mr. Rod Jackson: Thank you. Good morning, Minister.

Hon. Glen R. Murray: Good morning.

Mr. Rod Jackson: It's good to see you. Of course, it might be to your surprise that I have a couple of questions about the Pan Am Games plan. I noticed in my own research that IBI Group was contracted to create a master plan. They were, I guess, retained on April 11, 2013. Can you fill me in on what exactly is expected of IBI and when that plan is due?

Hon. Glen R. Murray: The deputy is responsible for managing the contract, so she can describe the particular contracts to you.

Ms. Carol Layton: I'll also bring up John Lieou, who actually, with his team, was overseeing it. But IBI, absolutely, was retained through a competitive procurement. They have been working for the better part of—oh, my gosh—almost a year, perhaps, John?

Mr. John Lieou: About eight months now.

Ms. Carol Layton: Eight months on the transportation master plan. You can imagine a plan that involves a very large geographic footprint and an awful lot of municipalities and different transit authorities. So it's a very detailed plan and we have seen it coming in different sort of stages. The version that we're at right now is version four, and it would be the version that is getting close to being what we would say is the finalized one that we can take out sometime in the new calendar year for public consultation. IBI is indeed the folks. They also did the London Olympics, so it's a pretty experienced group of people. We're happy, though, to give you a flavour of the content of that this morning. John and I can easily field that for you as well.

Mr. Rod Jackson: Yes, I'd appreciate, actually, having a flavour.

Ms. Carol Layton: Yes, sure. John, do you want to jump in or do you want me to start?

Mr. John Lieou: Why don't you start?

Ms. Carol Layton: Sure, okay. First of all, there's a number of different objectives that we want to achieve through the master-planning to support the Pan/Parapan Am Games—18 consecutive days of competition for the Pan Am Games; seven consecutive days of competition for the Parapan part of the games. There are training days in between that. All in, I think, from start to finish, we're talking about having a transportation plan available for the GTHA, the greater Toronto and Hamilton area, for upwards to 40 or 50 days of training, competition and the time in between. The objectives that we want to achieve, first of all, are reliable travel times for what we call the

games family, so the athletes, the officials and the media. That's going to be critical because they're going to something like 31 different competition venues. On top of that, there's a number of training venues, and these are all over the GTHA. I think, when we were in the week before last, the minister might have spoken about the fact that the geographic footprint for the Pan and Parapan Am Games is something like 10,000 square kilometres, so it's pretty unprecedented. So that's why; so first of all, reliable travel times for athletes, and that's critical.

Second is—it doesn't take much to travel around the GTHA to appreciate that we have a good amount of gridlock in the city and congestion on our highways. In two years' time, it's going to be the same or worse. So what we have to also make sure that we have is really good planning in place to encourage people onto the transit systems, fill up the buses, fill up the subways, fill up the GO trains and also still allow the city and the region to function so that we still have people going to work and shippers able to do their jobs. So the commerce of the city still has to function as well. The reliability of travel plus also having a region that continues to function—of course, there's a para part of the Pan/Parapan Am Games, so accessibility is going to be important, too.

Those are some of the key objectives that we want to achieve. Therefore, the transportation master plan is going to be a combination of things. One is the development of what is called the games route network. It's transit, but it's also roads, highways and mapping from where the athletes are staying in the different satellite villages to the different venues and the routes that they will be travelling. So the route is not just for the games family but for 1.4 million estimated ticket holders, as well as a volunteer force that could be upwards of 25,000 or 30,000 people as well. So the development of the games route network is one aspect of it, and that's something that John can speak about more fully.

Secondly, though, and I think another important thing is something we call transportation demand management. We have to look at everything. Where are the roadworks happening and where do we suspend that work? That's actually already happening. We're looking at that certainly provincially and also the cities and the different key municipal partners. We have many municipal partners—upwards of 25 or 26—doing all this transportation planning.

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Looking at roadworks, where will we have to think about signalization of lights to facilitate the movement of vehicles? How do we sync up those priority lanes that were in the bid book with our HOV lanes so that we're not kicking people out of those lanes? That's an important aspect to this work that we're doing, as well as to look at those different options that we have.

We're doing detailed operational planning and, I would say, even detailed micro-modelling at intersections along key parts of the different routes, focusing where we really have to focus, and that would be certainly the city of Toronto; Durham region; because we have some big

venues out there; and Hamilton with soccer as well. Those are the key ones. There's certainly Welland, and there's Caledon. There are other ones as well, but it's a complicated, all-in bit of analysis that's being done. Where we are right now in the planning stage—we're feeling pretty good about it. I'll get John perhaps to jump in as well to embellish where I've left off.

Mr. John Lieou: Sure. Maybe I'll expand a little bit on the games route network concept that you were talking about, Carol.

Ms. Carol Layton: Sure.

Mr. Rod Jackson: Can I just get in for one quick second? I'm sorry. We don't have a lot of time, so I just want to make sure I get some of my questions asked. This is great to know. Thank you, and I'm sorry to interrupt you.

What is the cost of IBI to do this and how much of the plan was done—how much was the plan you're talking about? It sounds like you already have a fair amount of work done on this. What is the cost of hiring IBI to do a master plan? When are you expecting to get the full master plan from them, and what amount of work have you done prior to hiring IBI? Sorry; there are three questions there.

Ms. Carol Layton: I'll get John to jump on this. Sure; happy to answer this.

Mr. John Lieou: Yes, for sure. The IBI contract is going to be about \$1.8 million. They are actually working with not just us at MTO, but the planning work that Carol was talking about actually has been done in conjunction with all the partners who are hosting, who have venues—all the municipalities—Toronto in particular because they have many, many venues, and Hamilton, Ajax and so on. They're all at the table working along with us and IBI.

IBI brings their expertise—Carol was mentioning that. They were part of the London planning and so they bring that expertise to the table, working with us. They support us in the modelling work. They support us in the expertise they bring from their various experiences in transportation demand management and things like that.

Mr. Rod Jackson: And when is the master plan expected to come forward?

Mr. John Lieou: As Carol was saying, we do expect that by very early next year, 2014. We expect to be able to actually talk to the public about the draft plan.

Mr. Rod Jackson: Where does the budget for the plan come from? You said it's \$1.8 million, right?

Mr. John Lieou: It's \$1.8 million for the IBI work, yes.

Mr. Rod Jackson: Is that out of the Ministry of Transportation budget?

Mr. John Lieou: Yes.

Ms. Carol Layton: So what the ministry—just in that regard, what we've done is—certainly it's a priority. I'm a great believer that you look for the highest and best use of the dollars you have. We made sure that within the ministry, supported by the talented folks we have in our finance branch and our chief administrative officer, who's here today, we're able to reallocate and make sure

that we can support this contract through existing resources as opposed to incremental resources.

Mr. Rod Jackson: So that's the cost of getting the plan. Do you have an idea of what the cost of executing it is going to be, or is that going to be part of what comes through in the master plan?

Mr. John Lieou: As we go through different versions of the plan, of course we do estimates. We don't have final estimates yet, to answer your question, and we do expect that as we get closer to the final plan—collectively, all the partners still have ultimate decisions to make as to ultimately what it should be. For example, the work that Carol was talking about is being done at a staff level right now. So it's technical staff-level work. We still need to work with the various municipal jurisdictions, as well as our own government, to make the final decisions, along with final costs.

The Chair (Mr. Michael Prue): I'm going to have to stop you there. The time has now expired. Hold on to your thoughts. There'll be another round this morning.

Mr. Bisson.

Mr. Gilles Bisson: Thank you very much. Can you open your ministry briefing book, page 18?

Ms. Carol Layton: You're talking about the estimates?

Mr. Gilles Bisson: Yes. Page 18. I've got a couple of questions.

Ms. Carol Layton: Yes. Actually, we'll bring up our CAO, if you don't mind, Linda McAusland, as well, who has led the team that put it together. So page 18?

Mr. Gilles Bisson: Yes, okay. Just down in provincial highway management, the estimate is \$428 million. You're showing a negative change of \$42 million over last year. What was that savings? I'm just trying to figure it out. I couldn't find it in the book.

Ms. Linda McAusland: The savings are attributed to lesser contract costs coming in through our bids, through our AMC model.

Mr. Gilles Bisson: That would probably explain the bad condition of my highways last winter. Right, Minister?

Hon. Glen R. Murray: They're going to be fabulous this year.

Mr. Gilles Bisson: I look at it and I'm looking at what the offset is. The \$42 million less is what you spent less in the renewal of bids, like the renewal of contracts? Is that how you got to that, that when contracts ended and you had to renew contracts, there were savings in regard to what people bid? Is that what you're getting at?

Ms. Linda McAusland: No, it was the cost of the contractors to actually do the business. There was—

Mr. Gilles Bisson: Okay, so they were performance-based contracts; therefore, there was less work and less money paid out.

Ms. Linda McAusland: No.

Mr. Gilles Bisson: No? Then explain it.

Ms. Linda McAusland: It was the cost based on our performance-based contracts.

Mr. Gilles Bisson: Yes. Your performance-based contracts are based on how much work they do, right?

Ms. Linda McAusland: That's right.

Mr. Gilles Bisson: They had less work than the year before, so there was a \$42-million savings?

Ms. Linda McAusland: No, I think it was through efficiencies. We didn't specify how the contracts had to be delivered. It was more performance-based, so based on the innovation that they could bring.

Mr. Gilles Bisson: Is there any chance I can get a breakdown about how you came up with that \$42 million? This is reflective of what we saw last winter, right?

Ms. Linda McAusland: That's right.

Mr. Gilles Bisson: Yes, and you know that last winter I, Mr. Vanthof and pretty well every northern member were on the minister's—

Hon. Glen R. Murray: Case?

Mr. Gilles Bisson: Case. Thank you for helping me out there. I didn't have—a Fordian moment.

We were on the case because what we were seeing was that highways were in terrible condition last winter. The constant complaint that we were getting from communities across the north and from people utilizing the highways—you'd get phone calls from the OPP etc., that highways were not maintained at the standard that we expected to see and that we used to see. So I'd like to see the breakdown of that \$42 million, exactly how that happened and how you found those, if you could give that.

Ms. Carol Layton: Mr. Bisson, if I could just add some comments on that, I can first of all give you complete assurance that we really watch the performance of the area maintenance contract companies. Certainly in northern Ontario we're well aware of the sensitivities of all of that. We did put additional money in to make sure that we would be responsive to what we were seeing and that there was additional plowing, certainly on passing lanes and shoulders.

The other point I want to make is that we hold these firms to the performance standards that are in those contracts. So it's not about an underperformance, but it is about those performance standards. It's also about some pretty extreme—

Mr. Gilles Bisson: It's also how much snow you get.

Ms. Carol Layton: It's also about the extreme weather conditions and the folks driving in that weather.

Mr. Gilles Bisson: I get it.

Ms. Carol Layton: But I would also say, as we said the week before last, that we've done an extensive review of this through the summer and fall—

Mr. Gilles Bisson: I've given the minister some credit for that already. Let me get to my questions; you'll see where I'm going.

Ms. Carol Layton: Okay.

Mr. Gilles Bisson: If I can get a breakdown of the \$42 million, that would be helpful.

I remember when this privatization was done by the Conservatives, and the promise was that we were going to save 10% at least over the last years by going to the private sector model. Is it possible to figure out what it

would cost us today if we were still doing it ourselves, compared to what it costs us now? I'm looking at that number, the \$428 million, and I'm not convinced that we're getting good value for our dollar compared to the system we used to have, which was that MTO had plows and 50% of the plows were private contractors and we called them in only when we needed them—that kind of thing. Is it possible to get that figured out, or is that—

Ms. Carol Layton: If I could answer that, Mr. Bisson, we certainly could. It's not going to be overnight, because I think what you're almost asking for, given that this is now a contracted operation, is, what if MTO brought it all back in—

Mr. Gilles Bisson: No, no. I don't want to know what the cost—

Ms. Carol Layton: —so it's almost like a zero-based budget. We could certainly do that analysis.

Mr. Gilles Bisson: No, no. I don't want you to spend a whack of money to figure this out. That's not my point.

Ms. Carol Layton: It's not money.

Mr. Gilles Bisson: It's staff time, which equates to money. My point is that I'm trying to remember, way back when Harris first did the download, what we were spending in total under that line. If we can extrapolate from then, what the normally ongoing increases would be, what would be the comparison?

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Ms. Carol Layton: Okay, we can do that analysis.

Mr. Gilles Bisson: That's all I was looking for.

The other thing: Underneath the labour and transportation cluster, there's a \$6-million savings. Can you explain what that is?

Ms. Linda McAusland: It's a salary and wage budget adjustment. There were—

Mr. Gilles Bisson: Less staff?

Ms. Linda McAusland: No, staff moved to other areas—the same number of staff, but there were some that were in the cluster and some were transferred to a different model in Guelph, based on MGS. So it's just a reduction to MTO, but it's not a reduction to the government overall.

Mr. Gilles Bisson: Okay, got you. I looked at policy and planning, and it went up almost \$1 billion—it's up \$828 million.

Ms. Linda McAusland: Yes, there were various things. The electric vehicle program, we upped a little bit to respond to the growing demand for electrical vehicles—our subsidy program. Our gas tax went up. It's a number based on the actuals for gas tax, so that number would reflect that also.

Mr. Gilles Bisson: The other thing is just, quickly, on the road user safety. I think we all know that highways are among some of the safest in North America, so this is a reflection that we're doing something well. I'm looking at what we spend on road user safety and, again, it might be in here; I haven't had a chance to look at it in detail. If you could just give me a bit of a breakdown what that really means—what are we spending that \$111 million

on? What do you count in as \$111 million on road user safety?

Interjection.

Ms. Linda McAusland: Go ahead.

Ms. Carol Layton: Actually, there are a number of functions there, but I think one of the big things that's in the road user safety budget is actually the commercial vehicle enforcement program. There's a fairly big operation there: the people who are out there on the roads at the different truck inspection stations as well as the folks who are actually pulling vehicles over. That would be a big part of the road user safety budget; it's a key operation.

Mr. Gilles Bisson: Is it broken down in the estimates binder and I haven't seen it?

Ms. Carol Layton: It should be—

Mr. Gilles Bisson: As you're looking, I'm going to get to my next question: why 100% increase on ministry administration over last year?

Ms. Linda McAusland: That's attributed to our fleet model. We essentialized all 1,200 vehicles that were across the OPS into the ministry, so we have a fleet centre of excellence. We administer the use of fleet for everybody except our specialized vehicles. That's everybody except our enforcement and OPP—

Mr. Gilles Bisson: So if MNR has vehicles, they're now MTO?

Ms. Linda McAusland: They are now managed by MTO.

Mr. Gilles Bisson: That means to say that there's an offset savings within those ministries.

Ms. Linda McAusland: That's right.

Mr. Gilles Bisson: So if I go look at MNR, AG and the rest of them—

Ms. Linda McAusland: Exactly; you can see the money that was transferred to the ministry.

Mr. Gilles Bisson: Is that a savings or an increase in cost overall to the government?

Ms. Linda McAusland: It's a net. It's just that we transferred the operating amortization and capitalization of the existing fleet.

Mr. Gilles Bisson: But if you did that, I would assume that there's some sort of savings, that's why we did it, right?

Ms. Linda McAusland: It's an efficiency. We're hoping for savings based on better procurement of vehicles and better use of staff.

Ms. Carol Layton: And better management of the asset itself.

Ms. Linda McAusland: That's right.

Mr. Gilles Bisson: All right, I'll look at the other estimates and come back—

Ms. Carol Layton: And Mr. Bisson, the road user safety is on—it should be about page 66, I believe.

Mr. Gilles Bisson: Okay, I'll look at it and I'll get back to you on that. Let me get you to page 23 now.

How much time do I have?

The Chair (Mr. Michael Prue): Lots, 12 minutes.

Mr. Gilles Bisson: All right. I'm going to talk about bridges. So you're saying, on page 23 at the bottom, you spent roughly about \$77 million. I take it that's \$77 million, right—

Ms. Carol Layton: That's right.

Mr. Gilles Bisson: —in bridge rehabilitation/reconstruction, and in the north you did \$25 million for a total of a little bit over \$100 million. It used to be, at one time, that the ministry had their own engineering department that looked at the bridges and did all the inspection. Who does that now?

Ms. Carol Layton: So why don't I bring up the chief engineer for the province of Ontario. I think folks would like to—if you don't mind—

Mr. Gilles Bisson: No, absolutely. That's why they're here.

Ms. Carol Layton: Come on up, Steve.

Mr. Gilles Bisson: You guys get paid the big bucks; get on the camera now.

Ms. Carol Layton: He can certainly take you through the—

Mr. Gilles Bisson: And he sits to the left of the minister, that's saying something.

Hon. Glen R. Murray: Yes, it is.

Ms. Carol Layton: We have chart that we'd be happy to share with this committee, just as an opener, that would show you that back in about the mid-1990s, the Ministry of Transportation had 8,500 Ontario public servants in it, and today we're at about 3,500. So we're 5,000 fewer. That's not just area maintenance contracts, it's also a lot of the work that we do around engineering inspection. There's no doubt that there's a fair amount of divestment of functions based on, sort of, core businesses. That's just the opening statement and there's actually a chart that might be in our book, but if not, we're happy to provide it.

Steve, if you could provide an explanation on the whole function around bridge inspections.

Mr. Steve Cripps: Certainly.

Mr. Gilles Bisson: So my specific question is: I want to know who's doing it now.

Mr. Steve Cripps: It's a combination. In terms of inspections, it's a combination of in-house bridge engineers, MTO bridge engineers and outsourcing.

Throughout our five regional offices and head office, we have bridge expertise; we have licensed engineers who are bridge experts. As part of delivering a huge program, we can't do it all in-house, whether it's bridge inspection or bridge design. But we do like to retain—

Mr. Gilles Bisson: But just one second: We used to do it all in-house at one time, right?

Mr. Steve Cripps: It has been a long time since we've done it all in-house.

Mr. Gilles Bisson: No, but it used to be.

Mr. Steve Cripps: We've always outsourced to some degree. Just based on the volume of work for both inspections—we have about 2,800 bridges in the province, so that's a lot of inspection. By legislation, bridges are

required to be inspected every two years. The fall engineering inspections are done in the interim—

Mr. Gilles Bisson: Which brings me to my second question. I was going to get to that. There's a requirement for inspection every two years, as you said. Are we doing it?

Mr. Steve Cripps: Oh, absolutely. Yes. Again, it's done either by in-house resources or through consultants under the direction of a licensed professional engineer. Each of the five regions is responsible for delivering that inspection program, and each of the five regions reports to both a chief engineer—myself—and the assistant deputy minister to report when all those bridge inspections are done to verify—

Mr. Gilles Bisson: And is there a difference in the standard of the inspection? Is it any different than it used to be before? Is it more rigid? Is it less rigid?

Mr. Steve Cripps: It has probably evolved over time. It has probably become more rigid over time. There is—

Mr. Gilles Bisson: You're saying that the standard of inspection has increased as far as what it used to be?

Mr. Steve Cripps: I wouldn't say substantially. It has always been a very rigorous and thorough inspection. We look at each component of the bridge. Each component gets rated in terms of its condition and then the bridge gets an overall rating. We use that for asset management to decide when to rehabilitate a bridge or when to expand a bridge. So it's always been extremely rigorous in terms of the inspection.

Mr. Gilles Bisson: I only asked the question because I ran across some people that were in that kind of business, and they were sort of indicating that it was the opposite; that, in fact, we were doing a lesser standard of inspection today than we used to in the past. You're saying that's not the case?

Mr. Steve Cripps: My experience has been that it hasn't been reduced—our bridge inspection. That's certainly one of our top priorities in terms of road safety. Lately too, it's one of our top priorities in terms of expenditures. We've got our pavements in fairly good condition, and we're really focusing on the bridges—

Mr. Gilles Bisson: Back to your asset management: So all of this goes into a great big book or a great big computer program somewhere in the sky that says, "Here's what needs to happen to these bridges." Are we meeting the actual timeline or timetable when it comes to doing whatever preventive work that needs to be done on those bridges to keep them in good repair?

Mr. Steve Cripps: Yes, asset management is all about taking the dollars you do get and making the best use of it. No road authority will ever have enough money to do all the right things at the right time, so it's a matter of doing the best investment with what you've got.

Mr. Gilles Bisson: My question, I guess, is on the asset management list—I'm just going to make a round number—let's say the magic number is 100 bridges that have to be brought up to whatever standard. To what percentage of that 100 are we actually meeting what we would like to be able to do?

Mr. Steve Cripps: We have a performance target for bridges where 85% would be in what's called "good condition." When we do this overall rating, based on life cycles of the bridge, we want 85% to be in good condition. We're into the 70s right now, which is really good. It's probably the highest we've been in a number of years.

Mr. Gilles Bisson: Meaning 70% of all bridges are in great repair?

Mr. Steve Cripps: That's right. Oh, it's over 70—

Mr. Gilles Bisson: What about the other 30%? That's my question. What about the other 30%?

Mr. Steve Cripps: The other 70 would be programmed for work in our—

Mr. Gilles Bisson: The other 70? Thirty.

Mr. Steve Cripps: Oh, sorry. The remaining bridges that are required for rehabilitation would be on our five-year capital program. In this year's budget, we also got additional funding for bridges to recognize—

Mr. Gilles Bisson: Just one second, Glen. I know you're wanting to jump in, but just one last question before you do—Mr. Minister, I should say, sorry. This is so different from the federal House; they are a lot less formal around here, which is a good thing, I believe. Anyway, I won't go to talk about what happens at city level. That's a whole other tune.

Back to asset management: That 30%—are you confident that, in fact, we're getting to the rehabilitation of bridges in a fast-enough way, that we're meeting our obligations?

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Mr. Steve Cripps: We're getting close to our performance target. Let me just add too, though, that in terms of asset management and five-year programs, if there's a safety issue with a bridge, all of those processes go by the wayside and we deal with the safety issue. We'd never prioritize something—

Mr. Gilles Bisson: Like a bridge in Latchford falling down or something?

Mr. Steve Cripps:—down the list. So—

Mr. Gilles Bisson: We won't talk about that.

Mr. Steve Cripps: We do deal with safety issues first, and that was one we did—

Mr. Gilles Bisson: Minister, you wanted to add something before I go to the next part?

Hon. Glen R. Murray: Just three components that I think are important. One, we've just funded the Ontario Good Roads Association. They've done an inventory of all of our rural roads. They are now in the middle of a bridge study. What that will do is integrate all the municipal data and sort of measures of standards with ours, and those two programs are to be the foundation for the new rural roads and bridges program and deals with the criticality.

We also have the iCorridor project that's under way right now, which is actually measuring all of our routes, bridges, to look at conditions and to put that on—the idea through open government is to make that public, so you and your constituents can actually see the full measure.

The third thing is with MIII, the asset management plans revealed some challenges. I was up Saturday with MPP Mantha looking in Espanola at a bridge that the municipality has identified as critical. It's also the main connection to Manitoulin Island. So those things will move up on criticality through the specific program that's now in place. There's another, I think, \$40 million.

So there's a number of initiatives that are connected, but I think part of it is to make it more transparent, which I think is the point that you are making, and to try and integrate all of the people who collect data and do inspections and put that in one place.

Mr. Gilles Bisson: Well, I asked the question for a couple of reasons. One—the municipal thing I'll deal with separately. But there have been a couple of occasions where people have mentioned, engineers that I've run across—and these are guys in the private sector, which I thought was kind of interesting. Were they either gunning for more work or were they actually ringing an alarm bell? I'm not quite sure. But I get the sense that we're not getting to the repairs of bridges in as timely a way as we need to, and they seemed to be indicating that the inspections as well were a problem. You're saying the inspections are not a problem, to be clear; that in fact we are meeting our obligation of inspecting every bridge in this province every two years?

Mr. Steve Cripps: Absolutely. It's a legislated requirement under the Public Transportation and Highway Improvement Act, and we do them every two years.

Mr. Gilles Bisson: Is the asset management plan provincially currently online?

Mr. Steve Cripps: Our five-year capital program is online. There's a northern version because northern highways are funded through MND. There's a northern version and a southern version, so it shows all the plant rehabilitation and expansion for the next five—

Mr. Gilles Bisson: Can you give me the URL for that?

Mr. Steve Cripps: Yes.

Mr. Gilles Bisson: I don't need to request the documentation because it's all online, right?

Mr. Steve Cripps: That's right.

Mr. Gilles Bisson: So if you could give me the URL, I'd like to take a look at it.

Mr. Steve Cripps: Certainly. It's on the ministry's public website, but I can provide that.

Mr. Gilles Bisson: Yes, just give it to me. It just makes my life a lot easier.

Mr. Steve Cripps: Certainly.

Mr. Gilles Bisson: I'm technically savvy only to a point.

I'm going to get to the point that the minister made in regard to municipalities. They're coming to see you by the droves in regard to the bad condition—we won't even talk roads right now, but on bridges, where they're having to close down bridges and stuff.

To what degree is the province trying to figure out a way to be able to assist municipalities in meeting the financial obligation of making those bridges safe?

Hon. Glen R. Murray: Very much so. First of all, just to your earlier comment about planning, I think there's a very strong feeling in the ministry and the government that infrastructure planning has been a priority with asset management and we have a lot more to do. In the next few months, I hope we can move much more aggressively on much stronger planning database mechanisms to provide more stability and more predictability so we're getting better value for dollars. The longer term the plan you have, the more effective your spending is.

The big challenge we have—and this is what we're working with Good Roads and AMO and ROMA on, and I know many of your colleagues, especially in the north, have been particularly engaged in this with their own mayors as well: For example, if you have, let's say, \$10 million to spend on bridges, you could put that all into one bridge that's quite deteriorated or you could actually invest in 20 or 30 bridges and buy each of those 40 more years of life. Sometimes when you don't have a good planning regime, the squeakiest wheel gets all the money, and then you end up with 40 more bridges in five or 10 years that are in that same condition and you've dug yourself into a hole you can't get out of. So that's really important.

When we did the MIII program, we're up from about \$3 billion to about \$14 billion in infrastructure spending, and I can tell you, it's still not enough. That's, what, over a 400% or 500% increase? It's the tension between getting in early enough to extend life and then dealing with those occasional bridges that are just so far gone that they need complete replacement. I would give the one on the road to Manitoulin as an example of one that should have been interceded in much earlier but now is a complete replacement job rather than a repair job. We're hoping that all of that data will be available. I think it's helpful if all MPPs know this, when they're talking to their mayors, and AMO knows that.

My guess is that we were oversubscribed in that program by about a factor of 3 to 1 in the first year, about \$100 million. I think we want to probably, if you evened it out, get that program up to \$200 million or \$300 million on a regular basis, because we also have the capacity of municipalities. We have more construction going on in buildings and in infrastructure right now than ever in the history of Ontario, so there's not a lot of capacity in the private sector to do a lot more work right now. We don't want to be paying premium prices because we're pressing the edge of capacity, and some of the municipalities have told us that as well. But we're trying to get this into more integrated planning and increase the spending.

I've got to close by saying that the point is it's not just simply a challenge of more money; it's a challenge of better infrastructure planning. We've got to marry those two, and we'll probably need the help of the Legislature to do that.

The Chair (Mr. Michael Prue): That's the end of the time. Actually, it's one minute over, but you were in full flight so I let you go.

Next questions: Ms. Mangat.

Mrs. Amrit Mangat: Thank you, Chair. Minister, I have recently heard comments by the Leader of the Opposition saying that he would cancel some of the projects in the Big Move. These could include the Hurontario LRT, which would pass through my riding, and various BRT projects that are currently under way, and one of them is in my riding as well.

What impact would his suggestion have on the congestion that we are facing in the greater Toronto-Hamilton area?

Hon. Glen R. Murray: I think one of the challenges we have is that we've got to understand the relationship between rapid transit infrastructure and economic development. There's a model that's now being developed in Metrolinx and in the ministry that is looking at two considerable parts of that, and I'll give you one example of why we think this is so critical for jobs and for investment. They talk about the relationship between the economic capacity of land and transportation capacity.

You'll remember the old Eglinton subway that was filled in. It was more than a transportation decision. If you go along Eglinton, you come to Don Mills. Many of us are familiar with Don Mills, where Celestica used to be. It was a high cluster of businesses. It was one of the largest commercial parks, if not the largest. It was the most centrally located one, and it was dependent—to get the investments and the jobs there, they needed higher-order rapid transit to continue—that was pointed out by the city of Toronto at the time, so the subway decision was made to extend it there—and commercial trucks in and out. The Don Valley Parkway is congested; you can't move goods in and out.

If you actually look at the value of land at the Don Mills industrial commercial park, it has declined. If you actually look at Celestica and the employers that have gone, much of the economic capacity of that land has been reduced. Why is the Don Mills industrial commercial park no longer a dynamic economic base? Because there isn't the transportation capacity.

You cannot overbuild transit. You can have too much economic capacity. For example, if you put a subway in and it has to carry 30,000 people, but your potential ridership over 10, 20 years is only 3,000 or 4,000 per hour and you've got the capacity for 30,000, your operating costs are huge. The Sheppard subway line: Every time someone pays \$3 to get on it, they pay \$18 in government subsidy. So you've got to be very mindful that you're not building things. When you're saying that you want to build subways everywhere, as Mr. Hudak and some others have suggested—he's not alone in that—you're really taking on hundreds of millions of dollars in operating subsidies for overbuilding. It's like buying a car that you can't afford. The Hurontario LRT has been well planned by the city.

I worked on a project, when I was president of CUI, with some of the leading experts, that actually says that. This argument that somehow, if you put in an LRT—I think it's a very small amount—and you reduce a lane of traffic—there's actually a net increase in the amount of

capacity on that road, because a well-planned LRT will take about 50 or 60 cars off the road per vehicle on that road, so you're actually creating capacity. The UK, the Americans—LA is doing that; Seattle has done that; New York is doing that, because we're trying to integrate highway, road and transportation planning. If you didn't do the LRT, what you'd end up with in Mississauga is gridlock.

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The other problem is that Mississauga is the second-largest commercial centre after Toronto. It's bigger than Calgary, and it has no rapid transit. What you'll see happening in Mississauga in some of the industrial and commercial lands is the same thing you saw in Don Mills. If we don't get that LRT there in time, we will start to lose the economic capacity of land, remembering that there are about 48 million square feet of office space in northern Mississauga along the Hurontario line. That's more than half as much as in the central business district. Calgary only has 32 million square feet of office space; Mississauga has about 48 million.

Could you sustain a subway in Mississauga? No, and I don't think the city of Mississauga or Peel region could afford the subsidies. So we like the flex technology of LRT, which can run underground and can run above ground. The model I would refer you to, which I think is sensible, just to get an idea of it—and we're looking more at elevated right now through Metrolinx—is the system in the GVRD, where Surrey and Coquitlam do not have subways; they have LRTs that run at ground or at above-grade. It works very well. As a matter of fact, I cannot find a system in the world where subways are used in mixed-density suburban environments.

I think the Metrolinx plan, the Big Move, is very good. Our challenge is, we're picking up 90% of the cost. The federal government is in for 3.85%. We do get a little bit more money in the 905 than we do in the 416, but it's still inadequate. The Hurontario LRT is probably about 25% of what we actually should be building in Mississauga, quite frankly, if we had the money.

Mrs. Amrit Mangat: Thank you.

The Chair (Mr. Michael Prue): Mr. Colle.

Mr. Mike Colle: Some of us on this committee were on the aggregate review at committee. We went across the province. We went up to Manitoulin Island. We were through the Kitchener area, Guelph; everywhere. One of the things that we learned—it's quite interesting—is that the major concern of the people in the area of aggregate extraction was the impact on roads. The heavy trucks moving aggregates were causing an undue hardship on local municipalities because of the weight and the constant travel.

Some of these host municipalities in the Peterborough area and the Guelph-Cambridge area were quite willing to accept the aggregate reality, but they were saying that there isn't really enough support to provide road maintenance upkeep for those host municipalities and surrounding areas. In some cases, the host municipality was getting a subsidy, a certain percentage per tonne, from

aggregate extraction, but a neighbouring one was not, yet their roads were being ruined.

If there is anybody here from the ministry that could maybe just give us a bit of an insight into that? I know that the aggregate resource review report has been submitted to the Ministry of Natural Resources as of a couple of weeks ago. But I think it really is of importance for MTO to play a role in responding to this very crucial situation, especially for some of the smaller municipalities. Some, as I said, are not benefiting at all by the extraction.

I don't know if there's anybody here in the ministry that could—

Hon. Glen R. Murray: I'll invite Gerry Chaput up.

When I was president of the Canadian Urban Institute, we did a major study called Between Rock and a Hard Place, of which I'm one of the co-authors—

Mr. Mike Colle: So Gerry is—what is his title?

Ms. Carol Layton: Gerry is the assistant deputy minister for provincial highways management.

Hon. Glen R. Murray: But I commend the report to you, Gerry?

Mr. Gerry Chaput: Thank you very much, Minister. The Aggregate Resources Act that you're talking about is actually mandated by the Ministry of Natural Resources. We have aggregate staff that deal with the municipalities and with the Ministry of Natural Resources staff on that act and that municipal levy that's charged per tonne.

We're well aware of the situation and have been working with MNR to try and ensure that—as you mentioned, they can be located in one township but the haul route leaves that township and goes into another—the wealth is spread over the two municipalities and that there's co-operation between the two. At times, it doesn't occur; at times, there are operations that don't facilitate the use of using that levy. We're working with them to try and ensure they're aware of different pavement treatments that they could be considering; ensure that the roadbeds are of substantial strength; our road user safety legislation ensures that the axle loadings are correct or that they aren't overloaded so that the damage to the roads is minimized. We check, in terms of when they're being weighed, that the trucks are not overloaded, as well, on periodic audits of those.

So we do a number of steps, in addition to working with our Ministry of Natural Resources sister ministry, in terms of trying to ensure that the damage to those roads is minimized and that we educate the municipality in terms of proper road treatments and other aspects they might want to take into consideration.

Mr. Mike Colle: I'm just wondering whether, in the estimates, there's any place here that demonstrates that there's going to be a financial commitment. I know the ultimate thing is the financial commitment made in the suggested changes in the tonnage paid for aggregate to municipalities—I know that is going to be the main source of revenue. I think that was one of the recommendations. Gerry, have you seen the report that—

Mr. Gerry Chaput: I have not, no.

Mr. Mike Colle: I suggest you take a look at it. There are some very good recommendations. Joe Dickson from Ajax went all across the province, and he, myself and others from all parties really think it's important that MTO get very involved in that—because none of us realized how critically important the aggregate industry is, but also the impact on local municipalities. And we've got the crack researcher, Mr. Richmond, who would certainly appreciate recognition of his leadership on this, and I'm saying that in a very commendable way, because it was a real eye-opener for all of us, who may not have been exposed to this.

The good news in that report that we found out was that there's a private member's bill from the member from Dufferin-Caledon, Sylvia Jones, which talked about the encouragement of the use of recycled aggregates, and I think the report includes that in the—her bill, basically.

The positive thing we found out in our hearings was that MTO is quite ahead of the curve in terms of using recycled aggregates. They're using, I think, up to 18%, 20% of recycled aggregates in their road builds, and we were pleased to hear that. But the thing that we weren't pleased to hear was that local municipalities are still refusing, for the most part, to use recycled aggregates because they claim that their engineers say that recycled aggregates aren't up to standards for the local municipality—yet they're up to standards for MTO.

One of the recommendations that the committee came up with is that MTO play a leadership role in dialoguing with local engineers from the municipalities so they could be made aware of MTO's findings in using recycled aggregates for major highways, like the 400-series etc. And yet the local engineers say, "Well, we don't want to go near recycled aggregates."

I'm just wondering if you would comment on that dichotomy between the local engineers and the MTO engineers.

Mr. Gerry Chaput: Certainly. The Ministry of Transportation is recognized as a leader in North America in terms of recycling. We've developed and perfected a lot of methods, such as cold-in-place recycling, where the pavement is actually picked up on the road and put back down, all in a single operation. So it never leaves the road, it's never trucked over to a plant for processing and trucked all the way back. The savings in greenhouse gases, the savings in terms of the natural resources are significant.

We've also used hot-in-place. We've also used alternative materials. We just finished the boundary road structure in Cornwall using shredded rubber tires—again, 400,000 rubber tires taken out of landfill, used in a fill where we would have been using non-renewable resources to build an embankment leading up to the bridge, so a significant amount of testing and work that we've done.

We've participated with OGRA, the Ontario Good Roads Association. We have materials experts who attend those conferences who provide learning opportunities and discussions and presentations on the work we've done with cold-in-place, the work we've done in terms of

our specifications of allowing recycled materials in our mixes, looking at the new science in terms of what better uses can be provided for the asphalt that we tear up or, if it's concrete, in terms of recycling concrete as well.

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We continue to work with the municipalities—some of them have been very good. I think Grey county has made significant advancements in using rubber in their asphalt. We, too, have done tests with rubber in our asphalt—not nearly as successful as Grey county, but they've been very successful. Again, we've been trying to work to ensure that we get that information passed on.

We attend conferences at the Transportation Research Board in Washington to ensure that we're kept up to speed in terms of what's going on in the States as well. But as I said, a lot of the things that are coming up—Ontario's already been a leader or a developer in that area.

We'll continue to work with the municipalities through OGRA. Our regional offices often have a lot of local meetings. We attend Association of Ontario Road Supervisors meetings. Again, we try and provide presentations there and education to help them understand the benefits of aggregate recycling, especially in asphalt pavements. It reduces costs, reduces greenhouse gas emissions and ultimately saves that non-renewable aggregate resource that we value so much in Ontario and close to market supply.

Mr. Mike Colle: Thank you for that overview. I just think, though, that the missing pieces that—and I don't want to talk for all the members of the committee, but I think there's got to be some kind of carrot or perhaps financial incentive or some kind of coordinated effort on behalf of MTO with the local municipalities in terms of encouraging them to look at the use of recycled materials. Right now, it seems that it's very ad hoc. Some municipalities might do it, but there's no real incentive, because I guess it's a lot easier just to extract, and in some cases the aggregate is very close to that municipality that needs the road reconstruction.

If it's possible in your roads budget as it pertains to municipalities, or even sitting down with municipalities—the engineers especially, who seem to be very reluctant. I'm not sure whether it's the engineers to blame or whether it's the elected officials, but somehow there's a disconnect. This could, again, relieve a lot of not only local traffic with the aggregates being hauled to Toronto or whatever or in their local region, but it could also reduce your budget because ultimately some of these roads will have to be repaired with local dollars or provincial dollars. So I think it's a win-win financially for everybody if MTO takes a more aggressive, comprehensive approach to working in partnership with local municipalities. Am I talking in dreamland here? Is this possible, to come up with something that's not going to reinvent a whole new department or something?

Mr. Gerry Chaput: Absolutely. We'll further our efforts with OGRA. At the ROMA/OGRA conference that comes up in February, we see numerous delegations. The minister sits through almost 40, at least. We'll make

sure that when they arrange those, we can highlight the importance of recycling. We can also look at OGRA's organization to see if we are able to put on a technical session or something that might again explain the benefits and the opportunities available to them.

Hon. Glen R. Murray: If I can just add, I think it's a good idea, MPP Colle. The study I referred to—one of the biggest challenges for the industry is because you can't extract in the greenbelt now and the demand for aggregate has gone through the roof. The distances that aggregate now has to travel are huge. We're now having to haul it farther than ever before, and it's now impacting on sensitive lands farther away from the GTHA.

If you're looking at how you can pay for this, the industry is actually really interested in more cost-effective solutions and has a growing appetite for research. Dufferin Aggregates, for example, is spending a lot of money researching ways right now to localize and get greater proximity and reuse infrastructure.

So it's not just that this is—there is actually a structural savings to the industry if we can reduce the distances it's hauled. So I think if this is something you want to pursue, you certainly have my support. I think bringing this forward, as parliamentary assistant to the ministry, would be wonderful, and I just want to endorse what you're suggesting. It's an excellent idea.

Mr. Mike Colle: Thank you, Minister. You twigged an interest I have in another area—oh, sorry.

The Chair (Mr. Michael Prue): You've only got 30 seconds.

Mr. Mike Colle: Okay, that's fine.

The Chair (Mr. Michael Prue): Just let it go? All right.

We now have 20 minutes from the Conservatives. Mr. Jackson again?

Mr. Rod Jackson: Yes. Thank you, Chair. I guess I'll go back to where we left off last time. I think, if I remember correctly, I had asked for the cost of the planning and execution of the Pan Am transportation plan.

Ms. Carol Layton: Certainly. The cost to execute the Pan Am/Parapan Am Games, as you can appreciate, is going to be comprised of a number of things. There's obviously the planning that's happening through the IBI contract. That's going through now. We're going to be procuring soon for detailed operational planning, micro-modelling. When the games are actually in operation, we're going to have to have a vendor of record out there for different things that we can't possibly even anticipate.

Another aspect that will be a figure too is that the expectation on all of our partners, the transit providers as well as local government, is to fill up your buses, fill up the subway system, fill up the GO train; in a sense, use your existing assets to the extent that you can.

It's the detailed operational planning that is about to get under way. The next step is, now that we have the master plan wrapping up, we have to move into very, very detailed, very, very precise operational planning and leading to the micro-modelling. That's going to determine even more where we are going to have to look at,

for example, incremental services to get spectators to Whitby, to Oshawa, up to York University and all that.

All that is a roundabout way to say that there is an estimate. I would say that we will be somewhere in the range of \$50 million to \$100 million. That would just be an early, early estimate of where we are in terms of what it's going to cost us.

The ministry right now is doing its best to re-allocate based on a highest and best use of the costs. At the end of the day, we've disclosed, through the annual results-based planning process, the quarterly updates that we do and how we're tracking, but we haven't landed on a precise cost. We're 596 days away, or whatever the figure is. We've got a ways to go, but it's the more detailed work that will help us to refine that as well.

Mr. Rod Jackson: You said between \$50 million and \$100 million. That's a pretty big spread in estimates of what things are going to cost.

Ms. Carol Layton: Yes.

Mr. Rod Jackson: Back in 2010, the Pan Am transportation team was struck. If we don't even have an estimate on the budget of what this is going to cost us—you say it's 500-odd days away. It makes it sound like it's a ways away. It's not; it's coming up very quickly.

Ms. Carol Layton: We know that.

Mr. Rod Jackson: The Pan Am transportation team: Do they report to you? Is that a Ministry of Transportation organization?

Mr. John Lieou: It is a team with all of the municipal reps and the transit agencies on it. It's co-chaired between the Ministry of Transportation and Toronto 2015, which is the organizing committee for the Pan Am/Parapan Am Games.

Mr. Rod Jackson: Since 2010, to date—you know, three years—we don't have a better idea on the estimates? It's just between \$50 million and \$100 million?

Hon. Glen R. Murray: John, go first.

Mr. John Lieou: The actual planning work is still going on. I can tell you that sports schedules will be refined. For example, between 2010 and now, we've seen a change in the venue formations, so things have been changing.

In the early days, which was before my time, but from what I know, there was a lot of conceptual work done. The detailed planning work started earlier this year, and we're going through the final phases of that planning. For sure, we'll discuss that with the public. And then, as Carol was saying, the next phase is going to be delivery planning.

Along with all that planning work, of course, we develop estimates, and that's really where the range of estimates comes from.

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Mr. Rod Jackson: Do you have a document that has those estimates, like a breakdown of the estimates?

Mr. John Lieou: We do have different versions of it, yes.

Mr. Rod Jackson: Can you provide the committee with the latest version of the estimates for the transportation for the Pan Am Games?

Mr. John Lieou: Yes.

Ms. Carol Layton: Yes.

Hon. Glen R. Murray: Yes. We've already given in, just in my last time here, 500,000 documents, which is several million pages. I don't mind doing that, but I'm hoping we can get a little focus.

I'm a little surprised by the questioning. I want to be quite blunt, because I'm quite concerned about it. We've never held, in Ontario, a major international event anywhere near this scale. And I hosted—I was mayor; I was on the planning committee for the last Pan Am Games. None of this is unusual. Five hundred days before the 1999 Pan Am Games in Winnipeg, we did not have detail, and we had a much more prescribed, much more contained, one municipal government, one provincial government, one federal government—a much more predictable, less competitive environment, and we didn't. So that kind of range that the deputy minister gave you is pretty normal at this point.

Why is that? Because this event is also unprecedented in being over 10,000 square kilometres. The largest international sporting and integrated cultural event ever held that even came close was 4,000 square kilometres. So we don't even have a comparator for it.

Why is it over such a large area? Because we didn't want this to be a Toronto event. We wanted this to be an event for the largest number of Ontarians possible, so Welland, Minden, Caledon—I can go through all those regions. No one has ever hosted an event on that kind of scale, to try and leave legacies in absolutely every community we possibly could to deal with long-needed things.

The way I've put this, having been through this—and I think this is where there are some similarities with Winnipeg and Toronto—is that we're not building things for the Pan Am Games. There isn't a single project that we are actually building for the Pan Am Games. Every project, we are building for the longer lease of that community, whether it's Welland's canoeing and rowing facility, whether it's the pool and aquatic centres—we're actually building that for U of T and U of T students and the people in Scarborough.

When you take that approach, we have in transportation, because some of this is dealing with transportation management, data, traffic management on our highways, HOV lanes—a lot of those are enduring legacies. There aren't two neat piles. I want to be really clear about that.

The other thing is, this isn't one event; it's two events. In 1999, we didn't have the Parapan Games. We have the Parapan Games. For people with different abilities and disabilities, there are wide-ranging needs of transportation costs.

The second thing is, we don't have the finalized municipal agreements, nor would it be normal at this point to do it. Are we going to subsidize additional subway lines? Are we going to have the subways run earlier on Sunday mornings? What is the commitment in agreements with Peel region or Hamilton or Minden on integration? Those all have to be negotiated, and we try to find costs out.

We also will not know until a few months before, actually, the scope and scale. Is the Cuban baseball team coming? Is the Brazilian soccer team coming? How many A-list teams do you get for the Pan Am Games and how many B-list teams? Those are all things that are going to drive all kinds of demand management.

The reason you spend millions on planning is because of the number of variables. I said last time, and I wasn't being flippant—and I was disappointed, because you took advantage of my comment in question period—it's not that we're not competent or don't have the finest level of planning going on in the world for a major event. The reason that neither I nor Michael Chan are prepared to commit to a specific number is because it's literally impossible to do so. And if I say \$42 million or \$62 million or \$38 million or \$82 million—no one can know that. Then you're going to say, in the game of politics, "Well, the ministry is misleading the House." We just won't know, and I will tell you that when the games are over—we'll get a much narrower range as we get down. But it is easy for this thing to swing. What you have to make sure is that you've got enough planning in place that you're managing the totality of variables. I have some confidence in this. The Winnipeg games came in under budget. I am very optimistic that this is being extraordinarily well managed.

But I also want to say that I'm hoping we're about to be seized with something that Ontarians never felt, which is showcasing ourselves to the world. We've never had an Expo or an Olympics or anything like that. I know there has been some negativity; I don't think this is something we need to be negative about. This is going to build our image for the city and this region positively around the world as one of our greatest trading cultural experiences. It's an extraordinary experience. I'm hoping that each MPP, in a non-partisan way, gets excited about how they catalyze this event to be an incredible success for their community and for showcasing their businesses, their culture and their restaurants.

I have to tell you of the stark contrast between what I went through in Manitoba and the unbridled enthusiasm that the city, the province all political parties had in that Legislature celebrating this event. When people showed up from these countries, they were welcomed. When they showed up here, we had opposition members protesting international delegates who don't care whether it's \$50 million or \$60 million or fully understand this.

I think we have to be much more positive about these games, because the multipliers that come out of them are directly related to our enthusiasm for them, and I have great confidence in this. I speak with some authority on this, because this is my second time at it. I'm very proud of the team—the Pan Am Games team—and what we're doing. I will tell you, there isn't a nickel that is unaccounted for.

Mr. Rod Jackson: So I guess it's safe to say you don't have a more finite number for the transportation plan—

Hon. Glen R. Murray: I think it's safe to say, sir, that if you actually look at every other event—

Mr. Rod Jackson: I think it's actually safe to say that you mischaracterized—

Hon. Glen R. Murray: —you would see that this is planned at a higher standard than most others.

Mr. Rod Jackson: —what the opposition has actually said here.

The Chair (Mr. Michael Prue): Order, please. One at a time.

Mr. Rod Jackson: I think it's fair to say that everybody from all parties is excited about the Pan Am Games and what they bring not just to the province, but to the city of Toronto and all the participating cities. We're all very excited. In fact, I just met with some athletes on Friday to talk about the velodrome, and how excited they are about that.

You're right: As far as everything goes with the transportation and all the venues, they do leave a legacy that is going to be great for our athletes and for our city, and I think everyone's excited about that. What is in question here is the ability to—"It was done this way before, so it's not unusual for it to be done this way again": It doesn't wash with me.

Part of the reason the province is in the financial situation it is in because we settled. We said, "This is the way it's always done. We've got to buy our way out of this. We've got to spend our way out of it." A range of \$50 million to \$100 million when we're so close to these games—it is not acceptable, in my mind, that we don't have a more finite number for transportation. The fact that the numbers aren't even coming close to telling us what the actual games are going to cost, I think—you know what? When you run a business, if you have a major plan going on, you at least have a really good idea of what that budget is going to cost you, no matter how complex it is.

The fact that we're talking about, "We don't know because it's a very complex issue"—you've had a team on this since 2010 from all the parties, and still no better number than \$50 million to \$100 million. You've got all these people, I imagine, in your ministry who are experts in transportation, and you've hired a company at \$1.8 million, which may or may not be money well spent; I'm not sure. I would reserve judgment on that to see what the results of that are.

I am surprised, and I think the people of Ontario will be surprised that there's not a more finite number for the execution and plan to come forward. To characterize it as trying to tarnish the games and tarnish what they'll bring to the city is misrepresentation at best.

What I think we want is just accountability. Right now, we don't have a good level of accountability for what these games are really going to cost us. I'm afraid to ask if the ARL—rush to put the diesel trains into the air-rail link between Pearson and Union Station are a part of that plan. I know they're not, because I know the cost of the ARL, and that's going to be something else—I'll give you a heads-up—we're going to talk about later on.

I'm actually quite stunned that we don't have a more finite number.

Hon. Glen R. Murray: Can you elaborate on that, why you're stunned by that?

Mr. Rod Jackson: Yes. I'm stunned because when in any—I come from the business world. I had my own small business. I've worked for corporations. No matter how far out you plan and how complex the issue is—I worked for Bombardier Aerospace. They had the C-series jets—this is just an example, if you'll give me some leeway, Chair.

The Chair (Mr. Michael Prue): It's your time.

Mr. Rod Jackson: Pardon me?

The Chair (Mr. Michael Prue): I said, "It's your time."

Mr. Rod Jackson: Okay. They have a major new airliner that they're developing that's going to compete around the world. They had a very finite budget 10 years out on what this was going to cost that company. They knew exactly where they needed to hit. They knew exactly where they didn't need to go and where they were going to, in this case, if they would abandon the project at certain stages if it got to be too much.

That's an example—one example of many—of how you manage a business. It's different. Government is different; I'll give you that. But, really, we need to have a more finite idea of where this thing is going.

Frankly, if I were you, Minister, I would be demanding a more detailed idea of what the transportation is going to cost for the Pan Am Games. You probably have a great idea of what the infrastructure is going to cost, going through your ministry, for snow removal. You probably even have it forecast out for a few years. But for the Pan Am Games, we just don't seem to be able at any level to get a reasonable number of what these games are really going to cost us. That's what is upsetting people. It's not the fact that the games are coming. I think everybody is on board with the fact that we're going to have a great games. They're going to come out great; I'm convinced of that. Athletes are excited, people are excited, politicians are excited, if anyone cares, but the fact is, I think people are starting to be concerned that they don't know what it's going to cost.

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I'd like to know where you would like to see this plan come in. I get that you can't give me an exact number, but a range of \$50 million to \$100 million seems like quite a broad spectrum. What is your best-case scenario here? What is the number that you'd really like to see? What is your target? You must have a target in mind of where you'd like this thing to land.

Ms. Carol Layton: As you can appreciate, there are many, many aspects to a range. There are many lines of activity that are going to make up ultimately the cost: everything from a trip planner, for example—

Mr. Rod Jackson: Sorry. If I could just interrupt, because I'm worried I'll forget.

Ms. Carol Layton: Sure.

Mr. Rod Jackson: Would you be able to supply us with that list, even if it's not filled in? What are the things that come in? Help me understand the complexity—

Ms. Carol Layton: The components? I have no issue with supplying you with all of the different activities and work under way, and also the need for a contingency. That's why you have a range as well. I do also understand, I believe, and maybe Katch can clarify, that several boxes are arriving for this committee today—do I have that right?—from the Ministry of Tourism, Culture and Sport, who had a November 19 due date. Do I have that right, Chair?

The Chair (Mr. Michael Prue): Yes. We have received 45 boxes this morning.

Ms. Carol Layton: Okay, so I have to admit there that all of the work that we would have done and submitted to the central committee, the games secretariat—there will be early estimates of that in the boxes as well. But I have no concern with providing you with a real accounting of the different activities that we're working on and that, in a sense, make up the games—everything from the operational planning that we're doing to the work that we're doing to make sure that we're integrated with the transit, you know, the road and the transit, to a trip planner to signage and everything like that. But they really are at this point, still, until we do those next two steps—we have a master plan almost done. We have to do the detailed operational planning and we are doing the detailed micro-modeling. That's how we can finesse that number, but we also want to get that master plan out there for the public to comment on as well.

Mr. Rod Jackson: So will you undertake to supply the committee—

Ms. Carol Layton: To get you a table? Yes.

Mr. Rod Jackson: Thanks very much.

Can you tell me how many times, roughly—I don't expect you to have the exact number, but I'm just trying to get an idea of how often the Pan Am transportation team would have met. Is it a once-a-month thing, once a quarter or once a—

Mr. John Lieou: Yes, we do meet quite often. Once every two months, the program—there's a whole structure. The PATT table is a steering table. There's a program team, and within the program team there are different working groups, and those meet as needed. They meet weekly and so on and so forth. There's a whole series of working structures working on the planning work.

Mr. Rod Jackson: I know you kind of glazed over this a little bit earlier: Who exactly is a part of that team? Is it the member communities and the—

Mr. John Lieou: Basically, the people who are at the PATT table are all the representatives at a staff or technical level from all the host municipalities, for example, and many of their transit agencies. For example, GO and Metrolinx are there. TTC is there as well. Also, there will be the integrated security unit, the ISU. So the OPP planners who actually coordinate security aspects of it work alongside with us on transportation planning. Also there would be the accessibility directorate from our own government, which also guides us on the accessibility planning aspects of transportation planning.

Mr. Rod Jackson: Sorry, I'm bouncing around a little bit, I know. Just going back to something the minister said, I just want to confirm: You mentioned that there are two sets of games, which is true—the Parapan and Pan Am Games. Is there going to be a separate transportation plan for each? They could be potentially quite different.

Hon. Glen R. Murray: I'm going to take one more try at this. So, there's a master plan for the whole thing.

Mr. Rod Jackson: Yes.

Hon. Glen R. Murray: This is not unusual. What you're asking questions about and suggesting, that this is somehow controversial or that people should be concerned about it, simply is not the case. The capital program, which we now have a good number on—and that will be the firmest number, and it's the biggest one—is \$50 million under budget right now, and it could be. You could say we overbudgeted by \$50 million in the numbers, maybe—

Mr. Rod Jackson: What's the budget?

Hon. Glen R. Murray: These guys can tell you the capital budget. I don't have the total numbers. It's 40 different facilities and venues.

We've got agreements right now that have to be reached with all kinds of regional transportation and private transportation providers. We're just into those. We're into trying to determine volume. Is there going to be enough transit volume to make a decision about spending millions subsidizing additional subways early in the morning on Sunday? You cannot make those decisions. That's about \$10 million in decisions.

There is absolutely no conspiracy here. I'd be glad to give you a number once it's firmed up, but the range is realistic. Every other international event—and I've looked at a lot of them, and spent a lot of my life in this—has that. Yes, I've run a business. I've also run a large city, and you cannot do transportation planning for something that has as many unpredictable variables and unsigned agreements at this point, which you wouldn't have signed at this point, without being any more specific.

I'm sorry you don't understand that, but there is just simply no way of knowing that, because we don't know the outcomes, because we're not going to be the final determinant of a bunch of decisions. They involve negotiations, consent, federal partnerships and all kinds of things that will change the numbers by tens of millions, and that's true for every international event that I've ever been aware of. This should not be new news to anybody.

The Chair (Mr. Michael Prue): Okay. I'm going to stop you there.

Mr. Bisson, you have approximately 10 minutes. You do have 20 minutes, but approximately 10 minutes before the bell goes, and we'll resume this afternoon.

Mr. Gilles Bisson: Really? I thought we were done at a quarter after.

The Chair (Mr. Michael Prue): No, 25 after.

Mr. Gilles Bisson: Oh, okay. All right. I was expecting that we were done at a quarter after. Wow. Hang on a second. Let me find my binder. I was somewhere else. I was expecting not to get it back. Okay, I'm back.

Mr. Rob Leone: You were recessed.

Mr. Gilles Bisson: No, no, no. Okay. Just a couple of things: You're going to get me what I had requested in regard to your asset management plan. You are also going to get me—hang on; I'm trying to find the page here—the stuff that I asked for.

I have another question. Back to page 18: Under provincial highway management, it went from \$3 million the year before to \$36 million, and I'm just wondering what the heck that's all about. Down below operating and capital assets, you've explained \$8 million in regard to the increase as a shift from other ministries for managing their fleets. Then under road user safety, you go from \$3 million in 2012 to \$39 million in 2013. What's the increase? What does that entail?

Ms. Carol Layton: I'll bring up Rob Fleming, who is the assistant deputy minister for our road user safety division. He can take you through those numbers.

Mr. Gilles Bisson: It's not a great big bonus or something.

Ms. Carol Layton: No.

Mr. Gilles Bisson: Okay. Just checking.

Ms. Carol Layton: That's not happening.

Mr. Rob Fleming: Thank you for the question. Those capital assets relate to our licensing and control system. We are—

Mr. Gilles Bisson: Is that a one-time expenditure? Is that what you're referring to?

Mr. Rob Fleming: It's a multi-year project to replace the foundation licensing and control system. It's funding that was transferred to us from the Ministry of Government Services. For the renewal of our legacy systems, the original funding was provided by the Ministry of Government Services, and that was transferred into our ministry in the current year, so that explains the increase.

Mr. Gilles Bisson: What would I expect to see under that line next year? A similar amount of money, or somewhat less?

Mr. Rob Fleming: Somewhat less. It depends on how the project work flows.

Mr. Gilles Bisson: Is there an offset savings from government services, for them not doing it anymore?

Mr. Rob Fleming: Yes. We've always been doing the work. Last year, the work that we did would have been charged back or journalled, in an accounting way, to the Ministry of Government Services. They simply transferred the budget to us, and there would be a corresponding decrease in their books.

Mr. Gilles Bisson: Can you provide me with that, the numbers? Can you provide me—

Ms. Carol Layton: You mean the Ministry of Government Services numbers?

Mr. Gilles Bisson: Yes, the offset savings. I'd just be curious to see what it is, so if you can give me the offset. Rather than me looking it up, I'll let you look it up.

The other thing is, you're changing your database? Is that what you're doing?

Mr. Rob Fleming: "Renewing it" would be the better way to put it, yes.

Mr. Gilles Bisson: I always thought you were in the CPIC system. Why am I thinking—

Mr. Rob Fleming: CPIC is a network—

Mr. Gilles Bisson: Yes, I understand what it is, but I thought—

Mr. Rob Fleming: —that is operated by the RCMP.

Mr. Gilles Bisson: Yes. My brother used to run it.

Mr. Rob Fleming: The licensing and control system—

Hon. Glen R. Murray: That explains a lot.

Mr. Gilles Bisson: That's why I know it. He also ran the gun registry, but that's another story.

Mr. Rob Fleming: The licensing and control system is our database. It is the system that records all drivers' licences and vehicle registrations.

Mr. Gilles Bisson: So you're linked to CPIC.

Mr. Rob Fleming: So we are linked to CPIC.

Mr. Gilles Bisson: Okay, that's what I understand. How old is that technology that we're using now? That must be pretty old.

Mr. Rob Fleming: Anywhere from 10 to 40 years, depending on which component.

Mr. Gilles Bisson: Well, we didn't have computers—well, we had computers 40 years ago, but they were—

Ms. Carol Layton: They were gigantic.

Mr. Gilles Bisson: They were about the size of this building. Now we can put them in a calculator. I don't have an iPhone, but my BlackBerry has as much.

This particular computer system that you're fixing, or you're upgrading, is obviously going to create some efficiencies for you. Are there any savings there at all?

Mr. Rob Fleming: We expect some, yes. In fact, we rolled out one of our first components earlier this year, the international registration plan system, and it will generate some efficiencies. We also implemented a new electronic collision reporting system in the last year, which is also creating efficiencies.

Mr. Gilles Bisson: I've got to repeat this story, because it was told to me this weekend. You'll get a kick out of this, Minister. I was meeting with a friend of mine, a long-time acquaintance, Lloyd Richards, who owns a moving and cartage company up in Timmins. He was singing the praises of ServiceOntario compared to the private-issuance licence when it comes to renewal stickers and stuff, which I thought was kind of interesting, coming from Lloyd, because he has been a long-time Conservative. I thought that was kind of interesting.

I want to just clarify the record with the minister on a couple of things. The last time we met, we talked about that highway in Kapuskasing. In fact, they resurfaced that highway, as you know. That was done, I believe, under the Connecting Link Program, 90-10. They've actually re-grinded the surface on the highway going through the town of Kapuskasing, which is now a municipal road.

Are there any plans for you guys to actually come back and fix that road base? There was an agreement, two or three ministers ago, to do it, and then I understand that the current mayor, Al Spacek, had an agreement two years ago to get it done. It was about putting some extra lanes in and stuff. Where the heck is that at?

Ms. Carol Layton: I'm not sure. Gerry, do you have that?

Mr. Gerry Chaput: I think, if you're referring to the Connecting Link Program, there may have been some discussions, but there were no approvals for the project. Then, of course, Kapuskasing was successful in receiving funding under MOI's municipal infrastructure program last year.

Mr. Gilles Bisson: Yes, but that was for the re-grinding.

Mr. Gerry Chaput: That was for the re-grinding, so—

Mr. Gilles Bisson: But when do we plan on actually fixing that road? Because there's a whole issue with regard to how it's like a bottleneck going through Kapuskasing, and it's like a single-lane thing. There was supposed to be some expansion to the lane system. Is that in the works? Where is that at? Can you give me a—

Mr. Gerry Chaput: It would be a municipal project.

Mr. Gilles Bisson: I understand that.

Mr. Gerry Chaput: We'll have to go back and check with them on that and find out.

Mr. Gilles Bisson: Can you report back to me on what the timeline is?

Mr. Gerry Chaput: Absolutely.

Mr. Gilles Bisson: How much time have I got, Chair?

The Chair (Mr. Michael Prue): You have until the bells ring, so approximately three minutes.

Mr. Gilles Bisson: I'm having so much fun. Jeez, I'm just beside myself.

All right, if you can give me that, that's just something that has been bugging me. I know this mayor of Kapuskasing but also the previous mayor of Kapuskasing—J.C. Caron, who was a previous mayor—had been trying to get that for some time and it has been talked about and promised now for I don't know how many years. On behalf of those, the current mayor and the former mayor, it's something that we need to get done.

That will be all I have for now, Chair.

Interjection.

Mr. Gilles Bisson: Chair? Hey, Chair? Yoo-hoo. I'm done.

The Chair (Mr. Michael Prue): Sorry, sorry.

Mr. Gilles Bisson: I'm done.

The Chair (Mr. Michael Prue): You're done?

Mr. Gilles Bisson: I'm done. If you guys want to adjourn three minutes early, consider it my gift to you.

The Chair (Mr. Michael Prue): But do you want your additional time this afternoon?

Mr. Gilles Bisson: Yes. We'll take it this afternoon.

The Chair (Mr. Michael Prue): Okay. So you're done for this morning?

Mr. Gilles Bisson: Yes.

The Chair (Mr. Michael Prue): So you would have 10 minutes left. You're giving up three minutes, then. That's what in fact happens.

Mr. Gilles Bisson: I'm just saying let's move it all to this afternoon. Let's get out of here.

Interjection: We appreciate it.

The Chair (Mr. Michael Prue): Is there agreement that he gets 13 minutes this afternoon?

Mr. Mike Colle: You use it or you lose it. That's what I say.

Mr. Gilles Bisson: Well, then, I'll keep you here for three minutes, then. That's it. Minister, why is it that you—do you want me to go there—or we're out of here? Okay, we're done. See you this afternoon.

The Chair (Mr. Michael Prue): Is there agreement that he gets the 13 minutes this afternoon, then? Yes. All right. Agreed.

We are recessed until this afternoon at approximately 3:45 p.m.

The committee recessed from 1024 to 1602.

The Chair (Mr. Michael Prue): We'll call the meeting to order, but we're going to suspend, for a moment, the questions and the timing. I understand that the minister and deputy minister have a statement they want to make for some corrections, and they've given out some new documents as well.

Mr. Gilles Bisson: Can I beg your indulgence to do that after my 10 minutes, because I've got colleges waiting in my office?

The Chair (Mr. Michael Prue): This is only going to take less than one minute.

Mr. Gilles Bisson: Okay, if it's less than one minute.

Hon. Glen R. Murray: Just really quickly, I spoke with the member from Barrie after entering, and you had asked me the question: Could we give you a more specific range? In the spirit of goodwill and non-partisanship, I went back and I said, "Given those numbers, was there any new update?" So I can narrow that range for you, if it's helpful. In addition, because I think it's important that we're not kicking the tires on—I think it's good to kick the tires, but not kick the shins on people, and I think that's the spirit in which you were asking the question.

We expect that now we're into something between \$75 million and \$90 million, in that range, being more likely what the transportation costs were. I put that on there because you were asking the question, I think, sincerely and in a heartfelt way. That's the best estimate. It may move down; it may move outside, but the probability is, if that's helpful to you, that's closer to—we expect it to be more likely than not in that range. With those qualifiers on it, I'm comfortable giving you that, if that's helpful.

Mr. Rod Jackson: I very much appreciate that. That's the best answer I've been given in two years on the subject.

Hon. Glen R. Murray: Finally, we will try to get a briefing with you in the very near future, and for others. What's more useful than the numbers is understanding the variables that could change those numbers to be significantly lower than that or significantly higher. As an act of good faith and goodwill, the deputy and Minister Chan's deputy will get the detailed moving parts of this so you can understand: What are the things that might provoke a change in those numbers?

Mr. Rod Jackson: Yes, that would be helpful—just with the knowledge that it's fluid—

Mr. Gilles Bisson: Chair—

L'hon. Glen R. Murray: Excusez-moi; merci. Je suis fini.

The Chair (Mr. Michael Prue): I've got to finish the statement. Is there anything further you wish to add?

Ms. Carol Layton: No. We tabled some material, and I could take you through it, maybe after the 12 minutes, if you want me to help.

Mr. Gilles Bisson: Yes, please. Thank you.

Ms. Carol Layton: It's mostly for you, actually.

Mr. Gilles Bisson: Yes, I know, and I already started reading through it.

Ms. Carol Layton: So we're fine.

The Chair (Mr. Michael Prue): So we're going to go back onto the clock. I was mistaken this morning; there are only 11 minutes left.

Mr. Gilles Bisson: Yes, that's fine.

The Chair (Mr. Michael Prue): And the 11 minutes are now to Mr. Bisson.

Mr. Gilles Bisson: Okay, I've got a couple of things to do, and after that, as I said, I apologize, I've got people from the colleges waiting in my office.

First of all, as I start, as I was sitting in question period I got something from my staff on my northern roads report thing that you know all about. The emails are starting again, and I'm just going to put this on the record, just so that you know. A guy out of White River by the name of Leon Nadeau writes the following: "Well, well, the snowplows seem to have forgotten that it's winter and forgot to head west. From the snowplow turnaround near White Lake Lodge all the way to White River, no sand, no salt—hell, no snow removal at all." He talks about Transfield: "I guess somebody out there will have to die before we see the standards at what they used to be before."

I'm just saying that we're still getting it. You heard Sarah Campbell this morning. This guy out of White River would be out of Mike Mantha's riding. I know that there's 42 more pieces of equipment that have gone in, and that certainly has helped, but man, there is still the sense out there that those roads, when it snows, are not being maintained to the degree that they were. If you want to respond to that quickly, then I'll go to a couple of other things.

Hon. Glen R. Murray: Gerry can come up, and while Gerry's coming up, I'll quickly respond.

What I can do as minister is, I can get more equipment out there. It's actually about 50, because when the contract was renewed for Thunder Bay, we added more equipment there, so that gives you more.

Mr. Gilles Bisson: This is specifically between—

Hon. Glen R. Murray: The second thing is—

Mr. Gilles Bisson: Oh, sorry.

Hon. Glen R. Murray: I was just up in Sudbury; I was up in Algoma-Manitoulin. We visited the MTO offices there. I had a long chat with front-line staff about how we managed the contract to make sure that this equipment is actually out there—because there's no point

adding capacity if it's not being used in a way that is anticipatory of weather, not just reacting to it. So—

Mr. Gilles Bisson: Okay, keeping in mind that I've only got about 10 minutes and I've got some other things that I've got to do—

Hon. Glen R. Murray: Okay, so I'll ask the ADM just to see if he can make a commitment to you to—

Mr. Gerry Chaput: Just quickly on your point regarding Transfield, we had a meeting yesterday with all the AMC contractors to discuss some specific issues regarding maintenance contracts, and it was very productive. I assure you that they have a lot of local content in there in terms of operators, patrollers. They too have a vested interest in the safety of the highways because of their families travelling on them as well. I'm also meeting with Transfield again, on November 25, which is a week from yesterday, again to further discuss issues, and I will raise that issue about White River.

Mr. Gilles Bisson: So to be specific, it's from the turnaround at White Lake Lodge all the way to White River, okay?

Mr. Gerry Chaput: That's right.

Mr. Gilles Bisson: I'm just going to put that, because I don't have a lot of time. I'm just saying that if we're starting to see it, that means to say there's a problem.

I just want to clarify, too, the request that I made earlier, just so there's no confusion. What I want to get is the figures on how much we used to pay for winter road maintenance for the last two years prior to Harris privatizing winter road maintenance. So what was it in the estimates binder what we used to spend on what you now call "provincial highway maintenance," in the last two years prior to the privatization Harris government.

Ms. Carol Layton: Okay.

Mr. Gilles Bisson: The other thing is—and I just want to expand on it, because then I started looking at this a bit more—when you look at page 18 and you're looking at "Operating and capital expense" and then "Operating and capital assets," I take it expenses is what we pay for people to do things and the assets is what we pay for equipment, if you can explain. Let me get to the point: If you look at page 18, at the bottom, it talks about, under "Operating and capital assets," "Provincial highways maintenance," it talks about \$2.2 billion, and then it talks about, on the upper line, "Operating and capital expense," "Provincial highways maintenance," \$428 million. Can you explain the difference between the two activities, just to be clear?

Ms. Carol Layton: First of all, the difference between assets and expenses is that we have the accrual basis of accounting, so we amortize. So when it comes to a lot of the highway maintenance programs, when it comes to the construction programs—and I'm not looking specifically at these numbers right now—

Mr. Gilles Bisson: But these are assets, right?

Ms. Carol Layton: These are the assets. I'm going to go right to where you were, so—

Mr. Gilles Bisson: So that means we estimate to have \$2.2 billion worth of assets, of equipment? Is that what it means?

Ms. Carol Layton: This is the investment right in the highway assets in 2013. It's the actual capital investment that we'll be making this year in highway assets in the province of Ontario—

Mr. Gilles Bisson: And that could be anything from a traffic sign to a—

Ms. Carol Layton: It's the bridges; it's the culverts; it's the paving. I guess the point that I'd also like to give you one bit of context on is that the total value of infrastructure assets for the Ministry of Transportation, if it had to be replaced today, is \$80 billion. So this, in a sense, is the investment in the 2013-14 fiscal year in that—

Mr. Gilles Bisson: So this is the investment into highway assets, which could be anything from building a bridge to paving a highway to whatever?

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Mr. Gerry Chaput: And the designs and construction associated with those as well. Remote northern airports as well. There are some small components, property—

Mr. Gilles Bisson: Yes, I've got them all in my riding. I land on them.

Hon. Glen R. Murray: Essentially, it's the highway-related components of that. The—

Mr. Gilles Bisson: And Michael's been there before.

Hon. Glen R. Murray: The entire highway and roads budget is approaching \$3 billion now.

Mr. Gilles Bisson: Okay. I just want to go back up to the provincial highway management line. So \$42 million is what you had there as a reduction overall for the operations side—right?—on provincial highway maintenance changes from 2012-13?

Ms. Carol Layton: Yes, indeed, and one of your questions earlier this morning was to break that out, and that work is under way. And we'll have that—absolutely have that. That figure, then, of the \$428 million and how it compares to the \$2.2 billion is, again, the amortization, in a sense, the amortized cost. For example, bridges are amortized over 75 years; highways are a shorter period of time.

Mr. Gilles Bisson: Okay.

Interjection.

Mr. Gilles Bisson: Okay. All right. How much time do I have left?

The Chair (Mr. Michael Prue): About five minutes.

Mr. Gilles Bisson: Cool. There was one other thing under those numbers I wanted to get to. When you look at your assets management, under provincial highways management: 2011-12, \$1.7 billion; and then all the way up to \$2.2 billion. Is that because there were things that we had to do more? Or is that just because it's getting more expensive to buy this stuff?

Ms. Carol Layton: We can unpack that for you better, and I don't know whether Linda has that. But I think the bottom line there is that—and I think Steve Cripps, the chief engineer, mentioned it earlier—there has been a recognition, certainly in the last two fiscal years, of the need to really get at some of the rehabilitation, such as the bridge program and certainly the highway programs

as well. So that's going to be a variable number, depending on—

Mr. Gilles Bisson: And that's what I'm trying to figure out: How much of it is actually that we've decided to do things that need to be done and appropriate the dollars for it, versus the cost has just gone up?

Ms. Carol Layton: We can unpack that for you, but what it relates to is actually that, just like every other ministry, we line up as well when we go through the results-based planning exercise, and our different priorities are matched up against others. As a ministry, though, that largely produces, as you can appreciate, significant infrastructure to meet the health and safety and the good quality of life of the people, we do fairly well in terms of that, because these are economic assets. These are assets that last for generations. So it's not as simple as, "We want this," and therefore we get; we have to be part of a decision-making process. So the different investments we have in different provincial highway network items are subject to formal decision-making.

Mr. Gilles Bisson: On the northern highways program, \$513 million: Does that include the ice roads? I was just curious about that.

Ms. Carol Layton: Is that out of MMAH?

Mr. Gilles Bisson: I didn't know if was northern development or you guys.

Interjection: MNMND.

Ms. Carol Layton: MNMND? So it's in the northern—

Mr. Gilles Bisson: Okay, it's in—

Ms. Carol Layton: Yes, it's in there.

Mr. Gilles Bisson: Okay. All right. I wasn't too, too sure.

There was a study done, at one point—I can't remember who funded it—to look at an all-seasons road up along the James Bay. Was that funded by you originally?

Ms. Carol Layton: I'm pretty sure that was probably funded by our colleague ministry the Ministry of Northern Development and Mines.

Mr. Gilles Bisson: Okay, so you don't know the—

Ms. Carol Layton: I don't know the status of that.

Mr. Gilles Bisson: So you have no capital plans at this point for an all-seasons road up by James Bay, from Moosonee north? Because I know they were looking—

Mr. Gerry Chaput: We haven't seen any plans for it, no.

Mr. Gilles Bisson: So that was a northern development exercise only.

Mr. Gerry Chaput: Yes.

Ms. Carol Layton: But I would add, though, in terms of access to the north—because it's important—that the 29 airports that support all of the First Nations communities up there, the very remote ones, are all owned and operated by the Ministry of Transportation.

Mr. Gilles Bisson: Yes. They're gravel strips, and I've got the chips on my plane to prove it.

Ms. Carol Layton: Yes, there you go.

Mr. Gilles Bisson: Okay, the last part is—and you had explained this, but I just want to get it clear, because when I looked at it again, I was a little bit unclear. Policy

and planning went up by \$828 million on the expense side. You explained it, but I kind of missed it.

Ms. Carol Layton: I probably did explain that, but I don't whether John Lieou wants to explain that. But the policy and planning is the division that we have in the ministry that covers all of the transit investments that we have. So items like, for example, the transfer payments that we would be providing to, say, Waterloo for their light rail transit, and likewise to Ottawa, would come out of that area.

Mr. Gilles Bisson: But when I look at the top line, the top line, I thought, was more on the operating—oh, that's right; it's operating and capital on the expense side. So that's additional spending for transit?

Ms. Carol Layton: Yes, so a good amount of it would be the expansion program for GO; for example, the 30-minute service that you have along the Lakeshore line.

Mr. Gilles Bisson: Did you put \$24 million a year for the ONTC train in there?

Ms. Carol Layton: I think that would be our colleague the Ministry of Northern Development and Mines.

Mr. Gilles Bisson: No, I think it should be you. I think you guys should just transfer the money over.

Ms. Carol Layton: Well, we certainly care about what's happening with ONTC.

Hon. Glen R. Murray: I notice that we've gone from docks and now we're up to trains.

Mr. Gilles Bisson: Well, we got the docks; now we get the trains. It's a plan—

Hon. Glen R. Murray: We haven't said no yet, Gilles.

Mr. Gilles Bisson: —all the way up to Moosonee. We've got it worked out.

Ms. Carol Layton: We have a table, and we'd be happy to provide it—

Mr. Gilles Bisson: Yes, if you could provide—

Ms. Carol Layton: —that could break that out for you. Sure.

Mr. Gilles Bisson: Could you provide the breakdown, just so that we see it?

Ms. Carol Layton: Yes.

Mr. Gilles Bisson: Okay. That's all I've got.

The Chair (Mr. Michael Prue): Okay. Just before I go back to let you continue and answer the questions—first of all, we'll go off the timer, and when we go back, we'll go to the government. So the floor would be yours. But before that, I would just like to welcome the American legislators who have come in to watch estimates. Do you have anything like this in the States? It's not too hot and heavy at the moment, but it can get pretty testy at times.

Having said that, Mr. Minister, you said you had additional comments you wanted to make?

Hon. Glen R. Murray: No, I'll turn it over to the deputy. We were trying to report back quickly because you had asked us to be prompt in answering your questions. The deputy followed up with some of the others, and maybe we can just give her an opportunity to respond.

Ms. Carol Layton: Yes. Sure—

Mr. Mike Colle: Point of order: Whose time is this?

The Chair (Mr. Michael Prue): It's nobody's time. We're off the record now.

Mr. Mike Colle: It's not on our time.

The Chair (Mr. Michael Prue): We're off the record.

Hon. Glen R. Murray: No, no.

Mr. Mike Colle: Hey—well, you know, we want to ask some questions too.

The Chair (Mr. Michael Prue): We are off the timer. Don't be—okay.

Ms. Carol Layton: Very, very quickly—I think you have it all in front of you. It was actually mostly for MPP Bisson that we've actually provided three different documents now. One was just the URL to connect to the northern highways program and the southern highways program. There was also a question about the \$36-million increase for what's called our road user safety budget and the fact that there's a similar decrease for the Ministry of Government Services. So we provided that detail as well.

The third thing is—it's actually quite an interesting chart that we provided, and it relates a lot as well to what, again, Mr. Bisson was talking about. It shows you, since the mid-1990s, how the Ministry of Transportation has, in a sense, changed from about 8,500 public servants to 3,500. So it shows you, in a sense, the different actual divestments, largely, that have happened over those years.

So that's what we've provided. We know that we have other information that we owe, such as a breakout for MPP Jackson, the detail on the activities that support the \$75-million to \$90-million cost for transportation planning. That is work under way. We have an awful lot more to provide, based on just this afternoon, with MPP Bisson. He also wanted some information on the Kapuskasing road base, so we'll provide that too. So there's a bit more to come—some tomorrow and perhaps some Thursday or Friday, if that's doable.

The Chair (Mr. Michael Prue): Well, tomorrow is doable in committee, because after tomorrow, the committee is finished.

Ms. Carol Layton: Okay.

The Chair (Mr. Michael Prue): Okay? All right. So the time is now 4:16, and it's over to the government; you have 20 minutes. Mr. Colle.

Mr. Mike Colle: Thank you, Mr. Chairman. I see the member from Trinity–Spadina is here, and he would be—

Mr. Rosario Marchese: Buses on Dufferin.

Mr. Mike Colle: Yes, he knows. He can read my mind after all these years.

Just in terms of our role as the Ministry of Transportation, we provide capital funding for new light rail vehicles, subway vehicles; with the new Viva buses, I think, we've helped. I'm just wondering whether we have helped to pay for some of the new articulated buses on Dufferin. Is that just 100% local Toronto transit money, or is there some provincial money there? Because when these new buses, you see, come to Dufferin, I want to be able to say, "The province is helping provide 21st-century buses on Dufferin." Because the people on

Dufferin—and for our American friends, if you want to see how Toronto works, you should go on the Dufferin bus, or take the Queen streetcar. The Queen streetcar goes from one end of the city to the other, with one fare. You can go from the Don River to the Humber River, and you can see how transit has helped to shape the city. So I would suggest a good trip on the Queen streetcar or the Dufferin bus if you want to see the real face of Toronto, where over 55,000 people a day are jammed on the buses on Dufferin—

Mrs. Laura Albanese: And Keele.

Mr. Mike Colle: Dufferin has 10 times more passengers than Keele. But the problem with it is, it's not only the buses that—and this is a traditional problem with buses: that in traffic, they end up bunching up, and you've got four or five buses stopped at a stoplight, and it's not very efficient. That's why I'm very happy that they're bringing about the articulated buses on Dufferin. This should help.

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The other issue is, I guess the policy directive of MTO is for air quality, cleaning the air, reducing greenhouse houses. But my constituency office is even on Dufferin. My landlord, who's upstairs—she sleeps upstairs—cannot have her carbon monoxide detectors on because they go off, day and night. That's how bad the air quality is in the Dufferin corridor.

Mr. Rosario Marchese: And you want to send them on Dufferin?

Mr. Mike Colle: No, that's what I'm saying. I'm just making an explanation of the reason why we need clean buses on Dufferin. You know that.

I know we're investing in light rail vehicles, subway cars, everything, all across this province. Can we do more to get more clean vehicles to transport people, get away from diesel buses, and cleaner-burning fuel—whether they be electric, hybrid. What's the MTO policy on helping cities deliver clean buses? We can't have subways and LRTs everywhere, but people should expect to see clean buses that don't fire off their carbon monoxide detectors.

Mr. Rosario Marchese: A yes or no will do.

Mr. Mike Colle: That's my question.

Hon. Glen R. Murray: I'll just give you the top-shelf stuff and then I'll turn it over to the deputy. We have about \$320 million that we give in gas tax every year to municipalities. About half of that goes to Toronto. It's based on a formulation of population and ridership. We do not have the bus replacement program, vehicle replacement program, which we had before, where we have actually, in the last several years, built a large component of those vehicles. The reason we didn't pull back is that we actually shifted our funding focus, which was to LRT and subway infrastructure, in which we've now invested, to this point, \$8.4 billion in Toronto, of what is over \$16 billion in the GTA. So we've expanded that every year.

Finally, unlike Quebec, which claims the five-cents-a-litre gas tax as a federal transfer to the province of Quebec, we do not retain that money. We allow that to

flow directly through to Toronto, the five cents a litre, and through AMO to other municipalities, unlike other provinces. So our funding, unlike other provinces, is in addition to the federal gas tax. We also have our own gas tax, and we have direct funding as well. If you were in Montreal or Chicoutimi, the Quebec government would be claiming and using that as part of their contribution.

We have a very robust program. There may be other details, but I think we, on a per capita basis and overall, have the highest level of transit subsidies now in Ontario than we ever have had in the history of this province.

Mr. Mike Colle: So the key point there—getting back to the Dufferin bus—is that the new articulated buses are probably paid for by the TTC out of the gas tax money, in part, that the province gives.

Hon. Glen R. Murray: Yes.

Mr. Mike Colle: I know that 55% of it goes to the city of Toronto, based on ridership.

Hon. Glen R. Murray: Right.

Mr. Mike Colle: But I just want to, again, raise that issue about how, in some cases, municipalities cannot afford to replace their buses, and I think it's critical we do an evaluation of the state of good repair of our bus fleets in our urban centres so that people are in buses that don't add to the poor air quality. That's the point I was trying to make. And the fact we had Mitch Stambler here in this very room—I don't know if you were here. Yes, I think you were here. He was the planning director for the city of Toronto, and we asked him the question, "If you were going to have the most immediate impact on reducing congestion in the GTA, through southern Ontario?"—

Mr. Rosario Marchese: Spend \$50 million on buses.

Mr. Mike Colle: Yes, he said basically that you could get the biggest bang for your buck on buses, because you don't have to have a whole capital infrastructure, you can get the buses on the road quickly, and you can get people out of their cars right away because the vehicle is there. I know in part the ministry is doing that. The York region Viva is quite, I think, an adventurous, positive investment that you're making on Steeles—no, it's on Highway 7, right?

Interjection.

Mr. Mike Colle: Yes. Just one other thing I wanted to mention too is about the different projects that are under way throughout southern Ontario in light rail and infrastructure. In the information we got in the binders, it would be helpful if we were given maps of the routes, of the new Yonge-University line, the Spadina line up to the city of Vaughan. That would be helpful, just like we have the roadmaps of northern Ontario. I think those maps would be very helpful, because I find that unless you live in the corridor, unless you live in the Keele region, York South-Weston, or you live in York West, you wouldn't know that there's a major subway project under way going up to York University and eventually going up to the city of Vaughan. So I think the more maps that are out there showing people the progress that is taking place, that's—my question is, what is happening in terms of progress to that Spadina extension up to York University

and eventually up to Vaughan? Where are we at in terms of the construction status?

Ms. Carol Layton: That's the Yonge-University-Spadina—what's called the TYSSE, the Spadina subway extension. That is about an 8.6-kilometre extension, as you said, right up to Vaughan.

The province itself has an interesting funding arrangement. The \$870 million from the province was put into a trust. It's called the Move Ontario Trust. We don't oversee the project management of it, but certainly we are apprised of the status of it. That particular project has had some delay. But where it was once forecast by the city to be done in the final quarter of 2015, it's tracking about eight to nine months later. So it will be into the 2016 calendar year, most likely about the third quarter or so when that subway extension off the University line is expected to be completed.

Mr. Mike Colle: Who does the project management?

Ms. Carol Layton: Actually, the project management is done by the TTC. It's actually their project. There's funding from the federal government, from the province and from York region, as well as the city of Toronto. Some of that money is a direct contribution through transfers or a direct expenditure, in the case of York region and the city, but there's also a trust fund that was established as well by the province back around 2006 or so. Over time, it's earned a certain amount of interest and it's now basically helping to pay out as that project progresses.

Mr. Mike Colle: And that's quite unique because the Eglinton Crosstown is being totally project-managed under Metrolinx, and then you've got this hybrid system going up to York University, which is done basically with a TTC lead, then.

Ms. Carol Layton: Yes. I think it's fair to say, though, that with all of these—and actually it's another point that I wanted to make this morning when we were talking with MPP Jackson, and that is that—

Mr. Mike Colle: With who?

Ms. Carol Layton: With MPP Jackson about the Pan Am/Parapan—

Interjection: For Barrie.

Ms. Carol Layton: —for Barrie. But the comment I wanted to make is that the minister talked about some of the legacy of the Pan Am/Parapan Am Games, and a really good legacy is actually going to be the fact that the transit services in the GTHA, of which there's nine of them, are going to be working a whole lot closer. Certainly, Metrolinx works very well with the TTC, but we're talking about York region and we're talking about Durham, and so that's going to be a legacy that's going to be enduring. It's certainly the case that's happened in other jurisdictions. But all that to say—back to all the different transit projects that are happening in the Toronto area, for example, the Eglinton Crosstown, the Bloor-Danforth extension, the Toronto-York-Spadina subway extension as well: They all have different competitors to them in a sense, guided always by different governance instruments, whether it's a project agreement or a

memorandum of understanding. At the end of the day, it's all about good clarity and the roles, responsibilities and excellent project planning and a good partnership.

Mr. Mike Colle: But there's always delays, though.

Ms. Carol Layton: You know, in the case of the Toronto-York-Spadina—

Mr. Mike Colle: From time immemorial there's been a delay.

Ms. Carol Layton: The Toronto-York-Spadina subway extension did experience some unique things. Actually, there was a fatality on that particular one up at York University, which was very troubling.

Mr. Mike Colle: Yes, right.

Ms. Carol Layton: I guess the point that I'd make, though, is that for some of these other projects, like the Eglinton Crosstown, which will actually be with one of the partner agencies to Metrolinx, with Infrastructure Ontario, which is also going to play a role—there is a pretty good record of on time and on budget when it comes to those projects, a very good record. You can see that right on the Infrastructure Ontario website. It's going to be interesting to see these different types of project management structures as we live and learn from them.

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Mr. Mike Colle: Yes, and that brings to mind, again, in light of the fact that we're looking at the expenditures, what is the ratio out of the fare box in terms of the operating costs for GO? I know that it used to be about 90% that would come out of the fare box.

Ms. Carol Layton: It's 80% now.

Mr. Mike Colle: So 80% is paid for by the riders. I don't think you'll see that anywhere in the United States. Maybe in BART or whatever; I'm not sure. But that's quite high. Is there anything comparable to GO in terms of getting 80% out of the fare box, in terms of other transit services? I can get that later, or Bruce can—

Ms. Carol Layton: Yes, Bruce is here too.

Hon. Glen R. Murray: I used to be the Canadian representative at the US congress of mayors, and I think the program is still in place—we have some American legislators here. They have a program where they replace buses every 12 years with significant federal subsidies, and there's a national transit strategy in the United States that provides a level of funding that we simply don't have in Canada. I think we're the only OECD country that has no national transit program and no strategic replacement program. So we have the highest level of spending on rapid transit of subnational governments and about the lowest nationally, and you see that as a strategic problem.

The last thing I'd say is that Metrolinx and Infrastructure Ontario have pretty close to a perfect track record of on time and under budget, and there has been, with all due respect to our friends at the TTC, a marked difference in the execution of Metrolinx-run projects compared to other transit authorities in Ontario. It's been quite remarkable—on time, on budget, without delays. Bruce is one of the reasons for that, so I'll turn it over to him.

Mr. Bruce McCuaig: Thank you very much. I can confirm that the cost recovery on the GO Transit rail and bus system is currently operating at about 80%. It's tops in North America and it's one of the reasons why I'm wearing my lapel pin today. GO Transit has been awarded the 2013 top public transit system award of the year by the American Public Transit Association, so it's a reflection of efficiency, a reflection of service, and a reflection of how it's been able to grow over the years.

The next-top-ranked system in terms of cost recovery is the TTC, which comes in, typically, at around 71% or 72%. But again, GO Transit has been very effective in terms of managing its cost structure and providing services that customers are taking up, and over the past four years we've been able to increase the amount of rail-based service on the system by about 25%. So we've had some great success, and that leads to greater ridership and more efficiencies as we go forward.

Mr. Mike Colle: I know there was a committee in this room a while ago where someone said that transit was one of the most greatly subsidized government programs, and I reminded them of that very fact, that transit riders pay a toll. Every day they ride the TTC and they ride GO, they have to pay. They're paying 80% for GO and about 70% for TTC. So although the government does subsidize the capital infrastructure part—I mean, that's operating, right?

Mr. Bruce McCuaig: Correct.

Mr. Mike Colle: I was getting to the project management. As you know, Bruce, there are some discussions on the Eglinton Crosstown about community benefits. I know the member from York South—Weston is very interested in that. People are coming together as this massive investment is being done in this corridor across the middle of Toronto on Eglinton, and they're saying, "Is there any role for community development and community investment, perhaps employing local people and helping small business?" I know that people are very thankful that Metrolinx paid for the planning study, Eglinton Connects. I think that was paid for by the province and Metrolinx, although the city is taking all the credit for doing it. I remind them that it's Metrolinx and provincial money. I think that's a good thing.

But what about community benefits in these projects? Sure, we're going to see the community benefit at the end of the road, in 2020, when Eglinton is done, and 2016, when the Spadina line finally goes up to York Region. But are you looking at any potential community benefit approaches as these massive infrastructure projects go ahead?

Mr. Bruce McCuaig: Well, it was a great pleasure for me to participate in an event just a couple of weeks ago with the minister to celebrate the graduation of the first Hammer Heads Program that we were supporting through the Georgetown project, through the Weston community. That was all about: How can we leverage the investment we're making in transportation infrastructure to provide skills development opportunities for priority communities and to actually leverage our investment to

see if we can provide apprenticeship opportunities and, ultimately, longer-term employment opportunities?

On the Eglinton Crosstown project, we're working with community groups—a community network—to develop a community benefits agreement that will actually set out very specific objectives and targets in terms of supporting for training, supporting for economic development along the corridor and supporting for employment opportunities. Apprenticeships and jobs for youth is a big part of that. So we see that as a real opportunity.

On the \$8.4-billion program we're implementing in the city of Toronto right now, we believe a big part of that has to be how we provide benefits for the communities in the short term, during what can be a very significant construction phase as we build this infrastructure. So, during that program, how can we support those communities while at the same time we're building this infrastructure for the long term?

Mrs. Laura Albanese: Can I ask where those conversations are at?

Mr. Bruce McCuaig: We're working toward basically a memorandum of understanding between ourselves and the Toronto Community Benefits Network. But ultimately, our objective is to build it into the process for the alternative financing and procurement for the Eglinton Crosstown. So when we go out to the market, the bidders are also responding to and advising us how they're going to provide these kinds of community benefits. I think the most important piece of this is how we can build this into a very structured and effective procurement process where our vendors and our partners are going to be committing to deliver a lot of these benefits for the community.

Mr. Mike Colle: And I think—

The Chair (Mr. Michael Prue): You have about 15 or 20 seconds.

Mr. Mike Colle: Okay. I'll let it go, then.

The Chair (Mr. Michael Prue): Okay. Then we are going now to the Conservatives. You have 20 minutes. Mr. Jackson.

Mr. Rod Jackson: I just want to thank you again for endeavouring and actually getting those more accurate numbers, I guess, for lack of a better term. I really do appreciate the effort to do that. Like I said, it's the closest I've gotten to a real answer on that stuff. I really do appreciate the fluidity and flexibility those numbers have over the long term, and recognize that.

I don't mean to look a gift horse in the mouth on that, but I will. Would you be able to just give me a better idea of what that 75-to-90 number covers, exactly? For example, is the \$1.8 million for IBI included in that total cost? Is it just capital? What exactly is included in that number?

Ms. Carol Layton: I could give you a bit of a breakdown, as best I can, just going from—

Mr. Rod Jackson: Not detailed. Just give me a general idea.

Ms. Carol Layton: For sure, and John here, of course, knows it a whole lot better.

Again, I just have to give a wee bit of context first. As you know, you travel around the cities of Toronto and Mississauga, whatever, and you're going to deal with congestion. So, what's going to be really, really critical is the actual planning, and ultimately the operationalizing, a games route network. That's a combination, certainly, of road, as well as transit. The IBI cost would be in that, because that is a three-year figure that we're talking about, or maybe even a little bit more than that, although we've absorbed that this year in a sense.

But if we had to be sort of in a most transparent way—what would we pay for?—there's going to be the actual work to do the detailed modelling, planning and testing of what we call the games route network. There's going to be things like, for example, really trying to encourage people onto transit—how do you do that?—things like a trip planner, an app, so there's going to be some technology components to that.

There has to be signage and way-finding. We have folks who will be coming, certainly, from Pan-American countries and otherwise, maybe not speaking English as well, so we have to think about that too. So how do they get around? When they walk around the city of Toronto, when they walk around Whitby, when they walk around the city of Hamilton, they need to be connected, in a sense, to the Pan Am/Parapan Am that they're in, but they also need to know where they're going. There's not just the route planning that we have to do for the actual highways and the city streets, as well as for the many different transit services that we're talking about, but there's also the fact that they have to be able to appreciate it.

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There are going to be volunteers who aren't going to be paid, but they certainly have to be supported as well, so there's a lot coming into that particular strategy.

Those would be some of the key aspects, I think.

Maybe, John, you might want to add a bit more?

Mr. John Lieou: Yes. I think you covered most of it. There may be things like, as part of the signage, we may have to draw a line, for example, depending on the games route networks and so on where the games might be—so signs and lines on the road and things like that.

Ms. Carol Layton: Just to add to that, I'd like to also say that we would lever off, of course, of what we have already. For example, Metrolinx, trip planning and TTC: Right now you can go onto the TTC website if you want to go from here to here. There are existing things like that, but we have to integrate all of this. They can't sort of go one place for the GO network, one place for the TTC and, likewise, Durham, and onwards we go.

The other point, too, that's worth noting, is that we are talking about 31 different competition venues. They're not going to have the same name, necessarily, as they have right now. Is it going to be called the University of Toronto or York University? What will be that name? It depends on the sponsorship and so we do have to provide, in a sense, a purpose-built facility, in a way, through the technology that we're talking about.

Hon. Glen R. Murray: There are so many different issues in that number, which is why it's so unpredictable. For example, the integration of transportation ticketing with venue tickets: That's a complex series of things through a whole bunch of venues. Can we do it for all sports, with the anticipation of what times and where the high-volume events will be? The Brazilian soccer—football, as they would call it in Europe—or the Cuban baseball team: If it's early on a Sunday morning at a venue, then you've got to maybe add early-morning subway service, which could be quite expensive for a few more hours. The cost-sharing agreements that have to be negotiated for Ivor Wynne Stadium with Hamilton transit are quite extraordinary.

We're hoping to get goodwill from the cities. See, the unusual thing, in the Winnipeg case, is that you had Winnipeg, Manitoba, the federal government and the private sector. A lot of the deals you were able to do because you weren't dealing with dozens of municipal governments. You couldn't negotiate with Minden or Welland, so in some ways we're on the goodwill of strangers here. We're hoping that these municipalities—and they have shown great goodwill, but we don't know what the cost-sharing arrangements are on probably 20 or 30 transit-sharing agreements. No one has ever done this over 10,000, because it's a bit of a regional economic development strategy. As I said, everything we're building, we're not building for the Pan Am Games. Their purpose is built for their use after the Pan Am Games, whether it's Milton or whether it's Minden.

The other thing is the complexity of having—what normally happens is that you sequence the Parapan Games or the Paralympics after the games for principles of ethical treatment and equality and social justice. It's all-inclusive, in one package, to treat everyone equally. I think it's the first time that's ever been done. To move people with some mobility and safety issues, there's—I won't go on forever. But another level of complexity is doping and regulation. As you probably know, security around that and where you deploy doctors and test sites relative to the times that people have to be in a pool and the limited amount of contacts—there's complexity to that. The reason that there are ministerial responsibilities in addition to Minister Chan, who's the lead minister on this—I'm focused very much on transportation; Minister Meilleur is very focused on security—is because those are the two things that have the greatest complexity.

If you think about screw-ups at major events, they are almost always in security or transportation. Part of the reason that the budget is unpredictable—because I'm sure if you went back to Atlanta, where the buses all broke down and the big story of the Atlanta Olympics was how bad their bus service was, there were probably a bunch of people sitting in a room saying, “Do we need to double the number of buses and improve the amount of mechanics on duty?” I think that in hindsight, they probably wish they had spent that money. Had they spent that money and the buses were sitting empty, they would have been criticized for spending money. You'll remem-

ber that in the London Olympics, shortly before the event, they found out they didn't have the security in place and they had this debate that went on—it was a crisis in their national Parliament—about how well-trained their security was and whether they had sufficient security in place for those games. President Obama decides to come and you've just blown your security budget. The number of variables—and you'll see this when you get the briefing—is almost impossible to predict, which is why the range still isn't down to \$500,000, and if it comes in at \$60 million—don't be surprised if it comes in at \$92 million. But our best guess is, in a normal situation, if things work out according to plan, that should be it. It won't be higher than that, I don't think, but I'd rather underpromise and overdeliver, and I'm hoping we'll have a significantly better number, but—we'll see where the Cuban baseball team is playing—

Mr. Rod Jackson: Right. I appreciate that. I do appreciate the number. Again, it's been a long time since I've been able to get anything—

Hon. Glen R. Murray: And I couldn't have given it to you. I'll be very honest with you, MPP, I couldn't have given it to you before today. I literally—if you had asked if I could have given that to you before or Minister Chan could have, we would have happily given it to you.

You can thank the deputy here and the ADM who spent the last couple of hours digging through and double-checking numbers. I say that with the qualification that that's our best guesstimate. If it changes, please don't come back and beat me up and say, "Minister, you were misleading," because I think I've so heavily qualified that number as to give you the best information I can.

Mr. Rod Jackson: Yes, and I consider it in good faith. I don't intend to do that, and I realize that there's flexibility there. All right. So I'm going to move off that.

I want to ask for a clarification on the ARL, the air-rail link. I have just a few facts here that I want to—

Hon. Glen R. Murray: I'd invite my friend back—

Mr. Rod Jackson: I figured he might be coming back, yes.

Just a few facts here, and I don't want to belabour them too much but I am curious about some of the numbers. Back in 2012, Metrolinx reported that the air-rail link will be about \$300 million, and then in March 2013 the costs rose to \$456 million, so an increase of \$156 million. As quickly as you can—and I'm not looking for a hugely detailed response because I'm sure there's a reason for it—can you explain how that increase happened in such a fairly short period, a relatively short period of time?

Mr. Bruce McCuaig: Absolutely. I think the short answer is, there was no increase in the capital construction costs of the Union Pearson Express. The \$300 million that you referred to was not a complete number. It was referring to a component of the project, and the total project value, which includes vehicles, which includes all of the capital construction on the infrastructure, which

includes the station construction, which includes all of the information technology that goes into a new service—all of those things add up to the \$456 million. I can say with complete confidence and with complete honesty that we're on budget, we're on schedule for spring 2015, and the \$456 million represented the total budget right from the outset of the project at Metrolinx.

Mr. Rod Jackson: Okay. Thank you. Now, I guess the original plan for this was for it to be electrified, is that correct? Am I safe to say that?

Mr. Bruce McCuaig: The planned-for connection between downtown Toronto and Pearson International Airport over the decades has formed a number of guises—from the 2003 process that the federal government started, the plan had always been that it would be a diesel-powered service, operating on the existing corridor. That was what it was approved as through the environmental approval process, and when it was transferred to Metrolinx for delivery, it was as a diesel-powered service.

More recently, we did a study of electrification across the entire GO Transit corridor. The board of directors of Metrolinx supported the electrification of the Lakeshore corridors and the Georgetown corridors, including Union Pearson Express, and we're currently undertaking the environmental assessment for the electrification of the Union Pearson Express.

Mr. Rod Jackson: Okay. There's a couple of different timelines here that we've come across, and I hope you can shed some light on them. This was reported by Metrolinx officials on August 14, 2012: It mentioned that the ARL could have been electrified in three years, in time for the Pan Am Games. That's coming from your own sources.

Then, Minister Murray, you mentioned that because of the environmental assessment, if I'm correct, that number's going to be more like seven years, in which case it would not be able to be ready for the Pan Am Games. Is that why it's being—

Hon. Glen R. Murray: I'll let Mr. McCuaig answer for Metrolinx, then I'll talk a little bit about some of the electrification agenda at MTO and the government and what the Premier's hoping for.

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Mr. Bruce McCuaig: From a Metrolinx perspective, we had always felt that, if we're going down the path of electrification, the Union Pearson Express is a good first phase of the implementation of electrified service more broadly on the network.

We knew that we needed to go through an environmental assessment process right from the outset. We had always targeted that that environmental assessment process, from the time that we initiated it, would take us to 2014. Then we needed to have two decisions made. One is a decision on the environmental assessment itself, an approval of the project, and the second piece is a funding decision, because there is infrastructure we need to build and it's currently not funded. Once we have those two decisions, we estimate it will take us about three years to deliver the electrified Union Pearson Express.

I think that's been a common position of Metrolinx for a number of years now. I'm not sure, when you refer to August 2012, exactly what that reference is, but I can tell you, from my perspective, the first gate that we go through is to complete the environmental assessment, the second gate is to have funding in place, and the third gate is to have that three-year period to construct. We've communicated publicly in the past that, subject to when those gates go through the process, 2017 would be the earliest that we could have electrified service.

Hon. Glen R. Murray: The other piece of this is that the Ministry of Transportation, with Infrastructure Ontario, with Metrolinx, is now undertaking some significant research in concert with the private sector.

There are two types of electrification. One is the traditional one with gantries—which is very expensive—which is external to the vehicles. That would cost about \$900 million on that line. That's quite expensive. The other challenge we have is that we're looking at biodiesel on this line that is three times as clean as the trains that run on the CP, CNR and GO line, along with the Gardiner, about half a block from my bedroom window. I'm particularly concerned about air quality because I live half a block from the busiest transportation corridor in Canada, if not the busiest in North America. So air quality on the system is a huge thing.

What we've been exploring is the viability of on-board systems which are Canadian technology, some of them based in the GTA and Ontario companies, which are now in their initial commercial steps in the United States. Those would actually reduce operating costs if we had the same performance as that, and we're looking at a potential pilot project, potentially on the Union Pearson line, if we can demonstrate the viability of these technologies.

We're at a point of major technology change in electrification between on-board systems that are sometimes using things like hydrogen and hydrolysis and those technologies. We're looking at those because we're in a major tech shift right now in transportation technology. Recently, and some of you may have attended it, the electric train, the hydrogen train, international summit was held here in Toronto in the last few months. It showcased a great range of technologies—pleasantly surprisingly, a large number of Canadians.

Before we make a major investment—it would also mean on-board systems are a lot easier and quicker to do, and the equipment that we're buying, some of which is being made in Canada, some of it made in Japan, can adapt to these systems. They could actually significantly reduce operating costs. We're just in the early stages of research on that and we have both private sector actors in Canada as well as Metrolinx and the Ministry of Transportation looking at options which will hopefully be presented to Ontarians if that research proves to have the same results it has had in other places.

Mr. Rod Jackson: Okay, thank you. You answered, actually, part of my next question within that.

In 2012, MPP Albanese wrote a letter asking for what the cost was going to be for electrification, and I guess

the answer that she was given was \$440 million. What's the discrepancy between the \$900 million and the \$440 million? What happened there?

Hon. Glen R. Murray: Well, I'll let Bruce explain, but my understanding of it is that you can't cost-effectively do part of a corridor. You have to do the full extent of the corridor, as it has been explained to me.

Again, this is why I hate numbers, because they always change; numbers through the rear-view mirror are a lot more reliable, especially in the dynamics.

The other thing that we're a little hesitant about getting into detail on is that we actually are seeing a very different technology platform that's being advanced in the UK and the United States which we think may be simpler, cleaner, safer, more efficient and allow us to utilize energy at a fairly low cost.

But I'll leave it to Mr. McCuaig to explain the difference between the two numbers.

Mr. Bruce McCuaig: Thank you. I can confirm that I don't like giving numbers early in the process. We're going through an environmental assessment; we have not done detailed design. So please recognize that the process will actually drive forward what the final design is, which drives the final cost of the project.

The cost of the narrow question of electrification: Our estimate currently is \$440 million along the corridor. That basically includes all of the direct electrification costs, the overhead catenary, bringing the power to the corridor, and doing other pieces of work along the corridor to make sure that it's suitable for electrification.

The other part is that we're electrifying a live rail corridor. GO trains, freight trains and Via trains will continue to be operating in this corridor while we're electrifying it. We believe that at this point, to stage the work effectively, we need to build an additional track in the corridor that would be the ultimate construction of track capacity through it. That way, we can move the service over while we're constructing the overhead catenary above it, because you can't build while we have live traffic going underneath it.

That's the additional \$500 million that gets you to about that \$900-million cost. It's technically not obligatory that you do that, but I think if you're going to deliver the project in a reasonable period of time, then it's an important part of looking at how you would electrify the Union-Pearson corridor.

Mr. Rod Jackson: Okay. How much time do I have, Chair?

The Chair (Mr. Michael Prue): You have about a minute and a half.

Mr. Rod Jackson: All right. The million-dollar question, then, so to speak: Is the air-rail link being not electrified all together at once, in the first part of the project, because it needs to be ready in time for the Pan Am Games, or was this part of your plan all along? I guess what I'm getting at is, if we're rushing to get the rail done all at once and then have to go back and redo something that could have been done right the first time, i.e., electrified the first time, what is the cost of that?

Mr. Bruce McCuaig: From our perspective, the project originally was not a games-related asset. It was a project that had been planned and designed for decades, frankly, and it will serve customers in this corridor for decades to come. While it is important to have the Pan Am date as a milestone, as an opportunity to deliver the service, we had not been planning this project solely for the purpose of providing service during the Pan Am Games. Like all games of this nature, it provides an opportunity to drive forward with projects that are otherwise planned and needed in a community, and that's exactly the category I would put the Union-Pearson Express in.

The Chair (Mr. Michael Prue): I'm going to stop you right there.

It's time for the third party. Mr. Marchese.

Mr. Rosario Marchese: Thank you, Chair. I'm going to try to get through as many questions as I can. I'm not sure I'm back here in the morning, so I'm going to be as concise as I possibly can.

We're reviewing Metrolinx at another committee, and I hope to be able to ask these questions on the Union-Pearson link, because I called for electrification right from the start as opposed to redoing it at the end. I'll leave it for that review, but I do have a quick question related to that, because I'm profoundly worried that if Porter gets its way and is able to change the tripartite agreement, they're going to get jets on the island—and the whole idea of the air link was to be able to get people from Union Station to the airport quickly. If the jets end up at the Toronto Island, how does that affect your plans vis-à-vis the Union-Pearson air link?

Hon. Glen R. Murray: It wouldn't affect our plans at all because the demand, we think, is so significant. You're never going to have at the island the major kinds of international flights or transfers. We've got the connection to, soon, international coach service—

Mr. Rosario Marchese: So it wouldn't be an issue.

Hon. Glen R. Murray: I don't think it would be an issue, no.

Mr. Rosario Marchese: Okay. We'll get back to it another time because I've got the other questions.

Hon. Glen R. Murray: Go ahead.

Mr. Rosario Marchese: Infrastructure Ontario gets paid to administer and promote P3s. That's part of its job, but it is also responsible for performing the value-for-money assessment comparison, comparing P3s with traditional procurement. In other words, the IO is both the buyer and the salesperson for P3s. My view is that there is a conflict. Do you think there's a conflict?

Hon. Glen R. Murray: No, because it's not IO that decides which projects are P3s. Those are government decisions made, based on evidence by the ministries. I'm then referred to that.

There's a criterion. We've tried it under one criterion, which we've had great success with, internationally recognized success, as being best in practice. We also found there are some projects that didn't work as well and, as a matter of fact, in the other ministry I'm respon-

sible for, there's a review going on based on—which I think will advance some of the stuff we've been doing and redirect some of efforts in other ways.

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Mr. Rosario Marchese: The point is, Minister, you don't see a conflict because the government drives this, not IO.

Hon. Glen R. Murray: Yes, actually it's the ministries that drive it.

Mr. Rosario Marchese: In 2003, Mr. Larry Blain—this fellow here—the president of BC's equivalent to Infrastructure Ontario, said this: "Public sector comparators won't do you much good anyways, because I can make the public sector comparator as bad as we want to, in order to make the private sector look good."

In 2008, the Auditor General found that the government wasted almost \$400 million by building Brampton Civic Hospital using a P3 rather than the traditional public procurement. Half was higher construction costs and the other half was borrowing costs. The AG basically said the value-for-money process was a joke. He didn't use the word "joke," but it was a joke. In fact, when the first VFM actually favoured traditional procurement, the hospital corporation hired another consultant to do another comparison. This time, the estimated cost of the traditional procurement had magically jumped by \$125 million, tilting the balance over to P3s. Clearly, the decision to go with a P3 was a foregone conclusion and the VFM was just window dressing.

Last year, Professor Matti Siemiatycki found that Infrastructure Ontario had overpaid on its first 28 projects by about \$1 billion compared to traditional procurement.

And now, with new information coming from the construction and finance industries, estimates, particularly the construction estimates: "We believe current AFP contracts will end up costing \$1.5 billion more than it would if they were financed in the traditional way."

So groups such as the Construction and Design Alliance of Ontario believe that the government may be cooking the numbers to make the P3s option look better than traditional procurement, just like the government did with the Brampton Civic Hospital.

The question: How can the public trust that the government isn't still manipulating the value-for-money process to seek a predetermined outcome favouring P3s?

Hon. Glen R. Murray: I think I referenced last time here and recommended Professor Siemiatycki's paper because I think it's very good, and I think he accurately critiques it, both positively and negatively. He points out there are times—I think he says that there's as much as 16%, in some cases more—but this is an area of huge debate around procurement.

We are reviewing projects. My deputy in transportation and transit—we pull projects from the AFP process based on evaluation and have done that recently. We have redirected projects that hadn't been considered for it, which we've done recently on major projects. The evaluation that we've had, I think has been very good and

effective, but in 20-20 hindsight, which is always easy, we found strengths in it and we found weaknesses in it. So we're doing that.

The norms and comparators right now, when I talk about things like iCorridor and some of the new standards that we're talking about, which are more comprehensive data and metrics to measure these things that are not particular to either an AFP or a traditional model of public sector procurement, will get better. But we use Professor Siemiatycki's work to evaluate, and change is based on it.

Mr. Rosario Marchese: Okay, so you're saying, "We don't answer the question." We just have to trust you, basically, in saying that you're reviewing projects and we're trying to get better at it. Is that more or less—

Hon. Glen R. Murray: No, I said—to compare apples and apples, there are ideological arguments on both sides. If you're asking me, "Is AFP only about saving money?"—no. There are certain reasons, when you have complex integrated projects or you're trying to design a hospital to reduce operating costs so that you can get better, more effective use of operating rooms and doctors' and surgeons' time, that you would want to use that process, and that in other times you wouldn't. All I'm just saying is I don't think it's as black and white or as simple as that, and there is room to argue on both sides.

Mr. Rosario Marchese: Is there any evidence that the minister or ministry can use that would counter the construction and design industry claims that you might be cooking the books or cooking the cost overrun numbers in order to justify your AFP approach to financing infrastructure?

Hon. Glen R. Murray: I'll ask the deputy, because she's quite independent of the agencies that make those determinations, and she can give you her very strong and—I can tell you, from working with her—strongly independent views on this.

Ms. Carol Layton: So when we look at different projects that are considered traditional versus whether they are good candidates for the alternative finance procurement, we put an awful lot of effort into that, and we work our way through a formal process, including through the treasury board, and ultimately through cabinet.

The other point I'd want to make is that the value-for-money assessment itself is actually calculated three different times. The other point that I should make is that the IO itself—Infrastructure Ontario—is overseen by a merit-based board of directors. They themselves bring rigour as well to the value for money so that you see the value for money before it is actually assigned to the agency itself. You see it around the time of financial close, and you see it around the time—

Mr. Rosario Marchese: Sure, sure, and I appreciate the argument. The point is that you do value-for-money audits. You do it three different times. You've got experienced people who understand these things. My point is, if somebody's cooking the books, it doesn't matter what you've got.

Ms. Carol Layton: I guess the point that I'd make is we've worked our way through a number of different projects in the Ministry of Transportation. We are, actually, later to the game in terms of being a ministry who has projects through Infrastructure Ontario, largely because, unlike, for example, the Ministry of Health—and I used to be in charge of the capital planning program at one point in my career in health. I didn't have, in that ministry, a team of people who were really, really skilled in capital planning, but you come over to the Ministry of Transportation, a ministry that is two years away from being 100 years of age, and you have people who know how to plan and design roads.

So the point that I'd want to make, Mr. Marchese, is that that public sector comparator that is done, which is developed by the staff at MTO against, in a sense, the shadow bid, is scrutinized heavily, certainly by the team at Infrastructure Ontario, and also by our team. I can tell you, there's some really good, heated conversations on that.

Mr. Rosario Marchese: I appreciate that. Can I ask you, with respect to the Brampton Civic Hospital, where the Auditor General did that review and there was \$400 million more that we spent, did we apply the same rigour, with the same experienced people that you're talking about? Or is that, "We screwed up there, but we're learning as we go"?

Ms. Carol Layton: I can't speak to that particular project. I wasn't in the ministry at all at that point. I just simply would rather defer either to Infrastructure Ontario or to the folks at the Ministry of Health and Long-Term Care.

Mr. Rosario Marchese: Okay. Is it possible for you, the ministry, to supply this committee with the detailed numbers that justify your cost over on comparative figures for each of the approved AFP projects? Is it possible?

Hon. Glen R. Murray: I'm here as the Minister of Transportation, not as the Minister of Infrastructure, so I can't respond on that ministry, by the rules of this committee. But in transportation, I can certainly give you the criteria. I can also tell you that projects that are coming the next year, we have not decided, because these eventually will be treasury board and other decisions, whether or not they're going to be AFP or traditional design build. I can tell you that the criteria that we look at—

Mr. Rosario Marchese: But of the approved projects in the Ministry of Transportation, could we get that?

Hon. Glen R. Murray: I can completely share all of the transportation ones with you, for sure. I have absolutely no problem with that at all.

Mr. Rosario Marchese: So we can expect something, to the Chair—

Hon. Glen R. Murray: You can expect it formally, but as I have done earlier with the MPP from Barrie, if you want me to—

Mr. Rosario Marchese: Normally, formally would be better.

Hon. Glen R. Murray: Formally, but if you're in some urgent rush, hopefully there's enough trust here that

I can actually try to get that to you just MPP to MPP as well.

Mr. Rosario Marchese: Okay, that would be fine, too, unless the other members would want to see it. I'm not sure.

Hon. Glen R. Murray: We'll share it with everyone—

The Chair (Mr. Michael Prue): If you ask for it, we all see it.

Mr. Rosario Marchese: That's the idea.

Mr. Mike Colle: No, I don't want to see it.

Mr. Rosario Marchese: No problema, Mikey. You don't have to share it—

Hon. Glen R. Murray: He's got enough paper.

Mr. Mike Colle: I don't want it.

Mr. Rosario Marchese: He's got so much to read.

Minister, how many bidders responded to the request for qualifications for the Eglinton Crosstown mega-project?

Hon. Glen R. Murray: I would not be privy to it and would not know. That's a closed-bid process, and I'm not allowed, as a minister or a politician, to be involved with that. The deputy would tell you what she could tell you, or Mr. McCuaig—

Ms. Carol Layton: I think Mr. McCuaig would be best to respond—

Hon. Glen R. Murray: Mr. McCuaig. I'm not sure we can actually disclose that, but that's a process that we politicians have to keep our fingers off of. Mr. McCuaig?
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Mr. Rosario Marchese: Okay, very good. Bruce?

Mr. Bruce McCuaig: Yes. We're in the process of procurement at this point in time. We don't disclose publicly the detailed information of the respondents to a live bid.

Mr. Rosario Marchese: I see.

Mr. Bruce McCuaig: When we get to the RFP phase, we will be releasing the information at that point.

Mr. Rosario Marchese: So you can't tell us who the bidding companies or consortia might be or are at the moment?

Mr. Bruce McCuaig: I'm not in a position to release that information.

Mr. Rosario Marchese: So we read that there are only two bidders from all over the world. We hear that, we read that, but we don't know that. We can't say?

Mr. Bruce McCuaig: I can't confirm that for you; I'm sorry.

Mr. Rosario Marchese: So people speculate, I suppose, in the papers, regularly, but that's only speculation, is that correct?

Hon. Glen R. Murray: Never, never; not in politics, no. Never does it ever happen.

Mr. Rosario Marchese: If there are only two, Minister or Mr. McCuaig, do you believe that two bidders would be enough to ensure that it would be a competitive process?

Mr. Bruce McCuaig: We of course are very conscious of making sure that we do have competitive attention in the process as we go through.

Mr. Rosario Marchese: Of course.

Mr. Bruce McCuaig: The target is that two, three or four bidders would be responding to these kinds of proposals. They are significantly large proposals and they bring together a number of—

Mr. Rosario Marchese: Sure; I hear you. But, Bruce, if there are only two, is it enough to ensure that this would be a competitive process?

Mr. Bruce McCuaig: Yes.

Mr. Rosario Marchese: I'll just write "yes" for future reference.

A study done by the Construction and Design Alliance of Ontario and the Ontario General Contractors Association warns that you are about to pay \$500 million more than you should on the LRT. The report says that the huge contract is so big that only a handful of international consortia—perhaps only two—are capable of bidding on the project. The CDAO says that if the contract had been broken into smaller and more manageable contracts, more companies would have been able to bid, including local builders and architects, and money would have been saved due to the increased competition. Do either of you agree?

Hon. Glen R. Murray: Right now, our track record, I think, is that out of over 80 projects that have been done through these models, only one was not under budget. The second thing is that with projects of this scale you'll find, in many parts of the world, that they are assembled not for financial reasons singularly but more because of the complexity of integrating all the systems and stations in that. We've just sent people to the UK, both to participate and do that. So the complex number has a reason, and that's determined through Metrolinx, and there's oversight by the ministry to do that.

We'll also do a risk assessment of the upsides and downsides of bundling. I do meet with the Ontario general contractors. Many of their concerns, to be quite frank, I think, are legitimate and valid, and they're being incorporated into reforms. So Mr. McCuaig may want to answer—

Mr. Rosario Marchese: As quickly as you can, Bruce.

Mr. Bruce McCuaig: I'll just say that the biggest risk on a project like the Eglinton Crosstown, a 19-kilometre-long project, is integration of all the various elements. By having a single procurement with a single consortia, we can transfer the risk to that agency, that group, to manage that risk, we believe, more effectively than we could or others could.

Mr. Rosario Marchese: Gotcha. So you basically don't agree with what they're saying?

Mr. Bruce McCuaig: We believe that it's an effective mechanism, yes.

Mr. Rosario Marchese: I hear that you don't agree, but okay, not a problem—

Mr. Bruce McCuaig: I agree, sorry—

Hon. Glen R. Murray: Let me give you a straight answer—

Mr. Rosario Marchese: No, no, no; I've got so much, please.

The CDAO report also says that the sheer scale of the project adds huge risks, and this has scared off many good builders. So the risk premium being paid to the eventual winner will make the project much more expensive than if it had been done in the traditional way. Do you disagree on that?

Hon. Glen R. Murray: No, I don't disagree. There was an interview that I did with what's called generals, which is the Ontario general contractors. You can see the government's response to their concerns. You will see that, because this is very situational, many of the concerns that they raised are around design, planning and around project management. We accept the criticism as valid.

I think you'd also hear that there is severe debate on both sides in the industry and amongst academics as to whether there are savings or a risk of \$500 million. There are others who would argue the other side of the question. So to save you time, I just refer it to you, because I think that the simple answer is, yes, there's legitimacy to the question. Yes, the government has accepted the legitimacy of that. Yes, on some large projects, to help build industry, they should be differently scaled.

On this project, as Mr. McCuaig said, the scale of integration is really unprecedented. We've never done a project this big or this complex before, and there is no easy right answer, but we think that, of the two options, this was the least risk. It doesn't mean there's no risk, but it's the least lower-risk option.

Mr. Rosario Marchese: Okay. Very good. Thank you, Minister. That's fine.

The private consortium on the P3 arrangement own the project, so they have at least some ownership equity. How much equity do they have relative to the total cost of the project? Just a ballpark figure, if you know.

Mr. Bruce McCuaig: It varies from project to project, depending on the nature of the project, but it can be that anywhere from 10% to 20% to 25% is the equity that is retained by the consortia, and that's really to try to make sure that, over the maintenance and operational phase, they have a long-term commitment to making the right kinds of choices.

Mr. Rosario Marchese: But it's about 10% to 25% more or less, give or take? Okay. Can you provide documents that show the equity stake of the private partners versus the total cost of your current project?

Mr. Bruce McCuaig: We're in the procurement process for that project, but ultimately all that information will be made public, yes.

Mr. Rosario Marchese: Okay. You will send it to us—once you're done—because I'm assuming you guys are going to get it. This is what's going to happen. So once it's done, you will send it to us?

Mr. Bruce McCuaig: Yes.

Mr. Rosario Marchese: It'll be public?

Mr. Bruce McCuaig: It'll be public at that point, yes.

Mr. Rosario Marchese: Very good. I ask because I've looked at some documents suggesting that the investors in P3s put very little of their actual money on the line. Almost all the project cost is financed with borrowed money. So if I'm a hedge fund manager with \$400 million to invest, I'm not interested in a \$400-million hospital project because only a tiny sliver of that project would be my money. I want a \$4.5-billion project like the Eglinton LRT where I can invest my \$400 million and borrow the rest. Is this trend towards bundling being driven by the investment needs of the finance industry, contrary to what I might have heard the minister say?

Mr. Bruce McCuaig: First of all, I'd like to clarify that on the Eglinton project, I don't actually view that as a bundled project. It is a single project. We're putting it out into the market as a single project. It's not like we're bundling separate projects together.

From our perspective, the development of the structure of the arrangement was not driven by the kinds of characteristics or factors that, Mr. Marchese, you've just outlined.

Mr. Rosario Marchese: So you don't think this bundling is being driven by the investment needs of the finance industry, is what you're saying?

Mr. Bruce McCuaig: Not to my knowledge.

Mr. Rosario Marchese: Okay.

Hon. Glen R. Murray: Actually, I can answer that very quickly for you.

The Chair (Mr. Michael Prue): Go ahead. We have a few seconds.

Hon. Glen R. Murray: Okay. It has nothing to do with the scale. We—

Mr. Rosario Marchese: Are we over? I can't believe it—sorry.

Hon. Glen R. Murray: So, to answer your question really quickly, we have smaller-scale products. What you want, if you want to attract—because it's Ontario pension funds, it's labour funds like Fencgate, whose capital we want to invest in this because it has to be stable, predictable and bankable. Those qualities do not relate to the scale or size of the project. There is in labour and in pension funds, which are one of the most secure sources and pay a good return. So it's our teachers, our municipal workers and LIUNA members, for example, who benefit by this, and we think those quasi-public sector sources—but it doesn't determine the scale or the quality of that, but it has to be predictable, it has to be stable and the government has to have a long-term plan.

What we hear from industry to invest in this is that the stability and predictability of a long-term investment strategy and infrastructure is the biggest single determinant of attracting, particularly, pension fund money.

The Chair (Mr. Michael Prue): Okay. I'm going to stop you right there. We're going to over to the Liberals: Mr. Colle.

Mr. Mike Colle: Yes, I just have to correct the record.

Mr. Rosario Marchese: Whose?

Mr. Mike Colle: The member from Trinity–Spadina—

The Chair (Mr. Michael Prue): You cannot correct his record.

Mr. Mike Colle: Okay. I won't correct it.

Mr. Rosario Marchese: You can correct yours.

Mr. Mike Colle: As you know, I've been involved with the Eglinton subway for over 25 years: proposed EAs, investments, sewer lines moved, streets boarded up, holes dug, holes filled in, cancellations. It's probably not the dumbest transit mistake ever made but certainly the most horrendous transit decision ever made, because we not only lost a subway that would have gone to the airport for \$800 million—I think now it's up to \$4 billion, but it's going the other way—then the extension to Sherway Gardens on the Bloor–Danforth was cancelled and then the Sheppard subway was stopped at Don Valley—halfway. So you've got half a subway, Eglinton filled in, and then you've got Sherway cancelled.

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Now we're back to investing, 20 years later—I can't even remember the number of years that has gone by. But we're back now and we're all for subways again. By the way, I think it's important, when we're talking about the investment on Eglinton—we're at the point, because of the horrendous experience on St. Clair—and I'm not trying to blame, whether it was Mayor Miller or whether it was Giambone, the TTC chairman. The word "LRT" is now a four-letter word in Toronto, all over. So I always like to correct the record. When I refer to Eglinton, I refer to it as either the Eglinton subway, which all the people in Eglinton call it, or the Eglinton Crosstown. I don't like to use that four-letter word. I would hope the ministries would stop using—the member from Trinity–Spadina is not here. He was using that four-letter word. People are afraid of the building at grade of light rail through urban municipalities because of the disruption of traffic, the disruption of cycling, the lack of parking. So I think that's a reality that MTO and Metrolinx have to deal with, because here you are building transit, but people now think that surface transit reduces road capacity, whereas we know it doesn't do that.

Anyway, I'd just like to correct the record. I refer to it as the Eglinton subway, because if it walks like a duck and it talks like a duck—in other words, the Eglinton Crosstown is an underground tunnel; it's electric; and it's got cars. They're smaller subway cars, but they're basically the same thing as multiple cars on subways. It's a little narrow and a different gauge. If it is electric, it's underground and it has cars, it's a subway. If I try to tell people, "LRT," they say, "Oh, it's going above ground," I say, "No, it's going underground." I think that's a reality.

When we're talking about communicating with people what we're doing through Metrolinx or MTO, we have to explain, I think, the advantages and disadvantages, because, again, there has been a real, you might say, awareness shift from people's perception of the benefits of at-grade transit. I was involved when we brought back the streetcar line to Spadina. We brought it underground at

Bloor to interface with the Spadina line. At that time, it was an improvement, because we took the dirty diesel buses off of—

Interjection.

Mr. Mike Colle: The Chairman is laughing; he remembers. We took the dirty diesel buses off Spadina, and people were happy to see the streetcars come back. But now we've changed the paradigm, and people are very, very suspicious about at-grade public transit.

The other thing that's interesting here is that we're talking about electrification of the Georgetown air-rail link, which I guess we all want in the long run, and then we're talking about building subways in Scarborough, the Sheppard line and the LRT conversion. We're talking about Eglinton. Minister, if you look at the map of Toronto and if you talk to transit experts—and I happen to live across the street from Canada's number-one transit expert, and he'll tell you one thing only. If we're going to build, we should be building one thing: the downtown relief line. The Yonge line carries, what, 40,000 people an hour at peak? The people at Eglinton and Yonge have to wait for five, six, seven, eight trains in the morning to get on the Yonge line. It is beyond capacity. It's worse than Japan and Tokyo right now.

If we're going to extend the Yonge line up to Richmond Hill and we don't do the relief line, how are people ever going to use the Yonge line? We're going to need sardine cans or something. How are we going to deal with that if we don't build the downtown relief line?

Hon. Glen R. Murray: Right now, as you know, the downtown relief line has been re-profiled as a priority by Metrolinx. I can tell you, it's one of my biggest priorities. If you actually look at integrated land use and you look at all the economic data, that line and Hurontario are probably two of the most consequential, next to Eglinton.

I am shocked. I spent 25 years of my life in Ontario, some in Quebec and some in Manitoba. The level of average literacy about transportation or transit is very low. It has allowed some politicians to so grossly misrepresent things that are not even factual that I agree with you. Surface and integrated transit like the stuff they're using in Vancouver or Paris and that we're now introducing on Eglinton, which is flex transit—it is a subway, and I do use the word "subway" because much of this new technology is running more underground than what people think of as our subway system. If we don't build it, if we cancel the LRT system—and I'm trying to produce the numbers because there's lots of evidence out there—the economic cost of this would be huge.

I know, MPP Colle, that you'll be particularly aware of this, because I asked people to go and look at the consequences of not building the Eglinton subway. You described many, so I won't repeat them except to endorse what you've said. As you know, my background and my work in the private sector was in the relationship between land use transportation and economic development. I'd invite the members of the official opposition, and I'm not saying this lightly or in an attempt to be politically—especially my friend from Kitchener–Conestoga. I'd like

you to go and look at what has happened and look at the tax base numbers. We just did a tax map of the entire GTHA. You look at the areas where you put higher-order transit and the concentration of employment and commercial lands. Look at Don Mills and the Don Mills industrial-commercial park. You will see that the decision to put the Eglinton Crosstown in to resolve the issues on the Don Valley was critical to the trucking industry, to support Celestica and the logistics there, and to get people in there. All of the evidence and work that was done wasn't about building an Eglinton subway; it was actually about maintaining the competitiveness and the economic capacity of the Don Mills industrial and commercial land, which at the time was one of the biggest tax generators and the most in-demand industrial-commercial land. It is not.

If you drew a line now from the waterfront all the way up to Markham, when you come to Don Mills, you'll now see that the tax revenues and the assessment base collapse there and it's a death valley. If you look at what Coca-Cola just did, moving out of Don Valley and moving its head office operations downtown and its other operations out to the periphery of the GTA, you're now losing the value of your prime industrial land.

If you want to look at the Scarborough Town Centre and the employment lands between Kennedy and the Scarborough Town Centre, you'll find that the lack of subway investment there never caused that kind of investment and development.

All that work is being done by ADM Lieou and the growth secretary and the private sector. I have developers who are coming to me and saying, "We want to figure out a way to accelerate it, because you can do it."

For Mississauga, as MPP Amrit Mangat said earlier today, the future of Mississauga's industrial-commercial base isn't going to be satisfied by half-hour GO service unless that GO service, when you get off those trains at Cookstown and other places, is onto high-speed LRT.

When you get into Hamilton, the new GO station is not going to revitalize downtown Hamilton if the LRT isn't on James Street North.

I don't mind debating priorities, but they've got to be evidence-based. I will say, very comfortably and confidently, that if we go through another generation where we abandon these investments, you won't only lose transit and have worse congestion; you will see the loss of all the value investment and hundreds of thousands of jobs in critical infrastructure. I did consulting work in cities like Atlanta and Indianapolis that failed to do this. Indianapolis and Atlanta didn't make these decisions, and now the compounded cost and economic loss in those cities—

Mr. Mike Colle: Minister, I just want to get back to Toronto for a second. I think those are valid comparisons. I just want to say that the other thing you talked about, people understanding transit and literacy—I think that the real problem, too, comes as a result of the people who are constructing transit, or cities or provinces or the federal government that are investing in transit, not taking the

time to partner with people to explain the benefits of transit and how transit works.

Therefore, an ordinary person like Joe from Ajax here—how is he going to have the time to understand the cost benefit of transit at the surface, an LRT or a bus? Joe is just trying to get down the 401, and the 401, as we speak right now—I wouldn't want to be on it. That poor Joe on the 401 is stuck for two hours getting from Ajax to Toronto, and he's saying, "What's all this investment in transit doing for me, Joe from Ajax? I can't get any benefit of an Eglinton Crosstown or downtown relief line." Joe from Ajax is stuck in his car. He's had to buy a small little four-cylinder car here, poor Joe from Ajax, and Joe is not a man of meagre means. He's had to go to a four-cylinder Chevy because he can't afford to pay—I don't know how many dollars he pays a day, not because he's going a long distance—

Mr. Steve Clark: Why don't you ask him? He's sitting right beside you.

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Mr. Mike Colle: But Joe is typical of a lot of people. They have to sit in that traffic. Coming from Kitchener it's the same, right? People sit for hours and hours and hours, and they say, "All this transit talk, all this transit investment"—which we all want and see—they say, "How is this investment in public transit going to help Joe from Ajax pay his gas bill and get to work on time?" He or she will not see the benefits, because I think we—as government or municipal or federal officials or the transit experts—have talked over people's heads. They haven't talked to Joe and explained to Joe why we may need some investment in transit. Could you answer that, Minister?

Hon. Glen R. Murray: Sure. In my constituency, which is home to the most crowded—we don't even get transit anymore. With the King Street streetcar, which runs through my neighbourhood, you have to be there before 6:30 to get a seat, and I don't mean you wait for 7. You don't get it. So 70% of the people in my community do not own a car, and they don't have public transit, because by the time it gets in from the east end of the city to Riverdale—

Mr. Mike Colle: What about Joe, though, coming along the 401?

Interjections.

Hon. Glen R. Murray: I want to be really clear. I appreciate the humour of it, but I will tell you that in my community, people understand that they do not have transit services. One of my constituents said, "Why don't you do this one day? Shut down all the streetcars in the city and see what happens to King Street, if you want to see gridlock and understand the value of that."

We simply do not understand, because people have been politically convinced by some politicians—and they're very specific because they say, "Subways, subways, subways," and they say, "Cancel LRTs"—that anything other than subways is detrimental to transportation and mobility.

I'll be quite frank with you. I've always said that in politics you can't win the positive argument if the

majority of other people are arguing, opportunistically, the negative argument—

Mr. Mike Colle: On the other hand, I think we've got to spend some dollars or some—

Hon. Glen R. Murray: I don't disagree with you, but let's be really blunt about this. Find me somewhere in the world—and I say this quite seriously. Why is the national government in the UK putting \$24 billion into two subway lines and LRT projects? Because there's a huge consensus in London that rapid transit, surface and underground, is absolutely critical, and there's no divided debate. Labour and Conservatives all agree that the experts on the panels should make that decision. I cannot find a region in the world today where there is actually an active political debate over whether or not we could do it. If you want to ask what your legacy is going to be in this Legislature going forward, a failure to raise the money and make these investments will be the single biggest thing you can do to give every other urban region in North America a competitive advantage. The simple—

Mr. Mike Colle: Okay, and I agree with that, but, again, it just doesn't connect with the reality of what's happening to—

Hon. Glen R. Murray: So put it in your householder, which I do, and second—

Mr. Mike Colle: No, no. Can I just finish, Minister?

Hon. Glen R. Murray: Sure.

Mr. Mike Colle: I hate to argue with my own minister here, but—

Hon. Glen R. Murray: That's okay.

Mr. Rosario Marchese: Sometimes you have to.

Mr. Mike Colle: You have to, right?

The reality of people like Joe on the 401—I mean, how many people a day travel the 401? Do we have any information on how many vehicles a day are on the 401? If I could get that—our crack researcher will find out. Jerry, you'll get that.

Hon. Glen R. Murray: It's 400,000, to answer your question.

Mr. Mike Colle: It's 400,000 vehicles—

Hon. Glen R. Murray: A day.

Mr. Mike Colle: —a day. Basically, a trip that should take a half hour, used to take a half hour, now is taking two hours, and the Joes of this world are stuck in traffic. They're stuck on the Don Valley, they're stuck on the 400. They do not understand why there aren't investments. They see the widening of the highway. I think we're doing a great job. I think Highway 427 is being widened. They see some improvement and they see continual widening of the 401. The 401 has been under construction since Babe Ruth played baseball in Toronto. It has always been under construction. The MTO of the last provincial governments, under the Conservatives and the NDP—we've always been widening the 401; forever. There are billions spent on widening the 401. It's an amazing highway, considering how many trucks it carries.

But the thing is, today, people are stuck in traffic. They're stuck in traffic on all the major highways surrounding the GTA, whether you're trying to get to the

QEW—what are we doing, as a ministry, to invest in a way that addresses their reality? We know we're investing in GO Transit, and that's a fantastic investment, and I'm glad that we're expanding. But we have to look at the next plateau of investment for the Joes of this world, who shouldn't be forced to spend four hours a day in traffic every day of their lives. It's not productive.

The last comment I'll mention: I remember when we first discussed building subways in Toronto back in the early 1980s. I had these talking heads telling me, "Why are you so supportive of building subways and transit? In the world of the future, everybody is going to be telecommuting," they told me. "So it's a waste of money. Once they get computers, people will work from their homes." Have you ever heard those old arguments? "You'll be working from home and you won't have to drive to work. You can shop online. You don't need transit. You don't need subways." So Joe can stay at home and sometimes make money. But as you know, with all the computers in this world, we haven't seen a decline in congestion; we've seen just the opposite. We've seen more traffic, all the way to Brockville—wall-to-wall traffic, despite the telecommuting.

Again, how do we address the Joe problem?

Hon. Glen R. Murray: Okay. The Joe problem—

Mr. Mike Colle: Yes—

Hon. Glen R. Murray: Let me answer your question.

Mr. Mike Colle: I want to talk about the 401, the QEW, the Joe problem.

Hon. Glen R. Murray: I can only tell you how I describe it. I do think that there are some things that transcend partisan politics, and this is one of them. A tale of two highways, as I describe it: The 401 now is 16, 18 and 20 lanes wide, and it is exceeding capacity. Our iCorridor system, which we've just developed, will now be able to model out over the next 30 or 40 years. Let's take—I don't know—anonously, Steve from Brockville. Steve from Brockville will have a three- to four-hour commute, and it is happening at an accelerated rate.

If you look at the Queen Elizabeth Way—let's say Andrea from Hamilton comes in, she at least—because we have half-hour GO service now.

When—

Mr. Steve Clark: Would Andrea and Paul commute together?

Hon. Glen R. Murray: I'm very serious about this. You asked me how to explain it and why I think it's important, and I do think this is a critical issue and I'll get to the point.

The reason we only have four or six lanes there is because more than half of that is carried by GO service. So when we went to half-hour all-day service, it's going to take 10 or 20 years to get the concentrations of employment along that line so that the GO trains that are jam-packed coming into the city and empty leaving are actually going to be like the highways: balanced both ways.

So the question is: On the 404 highway, which is the next one to go over capacity in the GTA and will choke

out future economic development in Markham and Richmond Hill if we don't do it, do we actually put GO service and/or rapid transit service in that 404 corridor, or do we try to create another 401? What do you want to have happen with the 404: the Queen Elizabeth Way integrated with a complete transportation corridor, or do you want another 401? That's the fundamental policy question right now and that's the shift we're trying to get to right now. Ask yourself what you want to live beside.

The Chair (Mr. Michael Prue): That's it. We just need a clarification from the researcher.

Mr. Jerry Richmond: Good afternoon, Mr. Colle. What I want in response to your question is, if you look at the 401, say, east-west in the GTA, from say, Milton—

Mr. Mike Colle: To Brockville.

Mr. Jerry Richmond: No. What I'm proposing is, from Milton to Clarington, the broader GTA. The MTO compiles traffic figures. They have a report. I will select certain points and give you a sampling. From my knowledge of those figures, one of the busiest points is where the 400 comes down and joins the 401. Would that suffice?

Mr. Mike Colle: Sure, that's fine.

Mr. Jerry Richmond: Because they measure it at certain intersection points.

Mr. Mike Colle: Yes.

Mr. Jerry Richmond: Okay?

Mr. Mike Colle: Thank you. That's fine.

The Chair (Mr. Michael Prue): All right.

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Mr. Joe Dickson: If I may, Mr. Chair, if you're going to Clarington, the next major artery going north and south is within a kilometre. It's Highway 115. If you would include that.

Mr. Mike Colle: Just go a little bit further.

Mr. Jerry Richmond: So I'll go as far out—

The Chair (Mr. Michael Prue): As 115?

Mr. Jerry Richmond: So, say, from Milton to 35/115?

Mr. Joe Dickson: Perfect.

Mr. Jerry Richmond: Okay?

Mr. Joe Dickson: Perfect.

Mr. Jerry Richmond: Thank you.

The Chair (Mr. Michael Prue): Everybody's happy with that? Okay.

We're going to go to the last 20-minute rotation for today—to the Conservatives—which will take us right up until about the time we quit.

Mr. Michael Harris: Good afternoon, Minister. Minister, I couldn't help but notice that you issued a press release last week, on November 6. There's bit of back-patting, of course; on occasion, that's okay. You are opening up, actually, two new roundabouts on Highway 7 in Perth to improve traffic and safety conditions for local families, businesses and visitors.

First off, I'm awfully glad to see that you're supporting building more roundabouts in Ontario, but of course I can't help but see the irony with this situation. You clearly support including roundabouts in Ontario's infrastructure, yet you don't support including specific

rules for these intersections in Ontario's laws. I guess, on behalf of folks—the Joes in Waterloo region—I'm just trying to help clarify how that position makes any sense, with regard to building new roundabouts but not yet providing those rules in Ontario's Highway Traffic Act.

Hon. Glen R. Murray: I'd be glad to get people from the ministry up, but I'm a little at a loss to understand exactly what you're asking for. Roundabouts have been part of Ontario. They exist in many other jurisdictions. There are regulations and highway rules that govern these and other intersections, and there are specific things in the driver's manual that deal with roundabouts. This is well-regulated and well-covered.

I have talked to municipal leaders. I have talked to the OPP. I've talked to all kinds of folks. I cannot find anyone who thinks that there is a specific need for more specific legislation or regulation. As a Conservative, I thought you might be a little opposed to government solving everything by a whole bunch of new rules to tell people how to live their lives, but if you have some specific ideas or you can give me an example of a jurisdiction that has greater or more detailed regulation or rules, I would happily look at that. I've said that several times in several places to several media outlets, and as of November—is it the 19th today?

Ms. Carol Layton: Yes.

Hon. Glen R. Murray: I have yet to receive from anybody, in Ontario or anywhere, a list of suggestions or a proposal for some new regulations, and I haven't been able to find any that are significantly different from what we do. This, to me, is a little bit of a red herring, but if you can point me to some regulations or rules, or a standard that you think is appropriate, we will gladly consider it and look at putting it into legislation, but nobody has produced that yet.

Mr. Michael Harris: All right. Well, Minister, I know you read. The Waterloo Region Record is our daily, and you know what? In a recent issue, it referenced Waterloo Regional Chair Ken Seiling—I know you know him—the Waterloo Regional Police Service, the CAA and several other local politicians supporting creating clear, uniform rules for roundabouts in the Highway Traffic Act. Are you suggesting that these people are actually wrong?

Hon. Glen R. Murray: I will ask them—Ken Seiling is a friend; I think highly of him—what kind of regulations, what is missing in the Highway Traffic Act, what would you like to add, and where is there a lack of clarity? Because the debate is whether or not the existing rules are sufficient. There is a very passionate columnist in the Waterloo Record who writes about this more than almost any other subject, who feels very strongly about this.

But if you want to offer up some rules or some regulations, or point out where there's inadequacy—we have roundabouts being put in by regional governments and municipalities in the province everywhere across Ontario and all across Canada. The only concerns being raised in Kitchener—I've said to people in the Waterloo region, since I haven't gotten a complaint from a single other

municipality or jurisdiction, if you want to introduce some special rules or regulations, as a municipality, you can do all kinds of things. You have control of sidewalks, public rights of way and things like that within municipal jurisdictions.

I'm happy to do it, but please find someone else in Ontario who thinks this is an issue or give me some regulations or some things that you think should be in there to be clear. No one has produced that yet.

Mr. Michael Harris: Well, you mentioned the fact that—

Interjection.

Hon. Glen R. Murray: And my deputy is happy to address that as well.

Mr. Michael Harris: I just want to refer back: On March 30, there was a news article published in the Waterloo Region Record. You said that my concern about ensuring safety at roundabouts wasn't a real issue. I want to quote that to you. You said, "It doesn't surprise me that my dear friend"—and I appreciate that comment—"Michael Harris is asking questions and going on about these things. It's a little demonstration about how disconnected he is from the real issues in this community."

Would you agree with that statement? Do you still stand by those words?

Hon. Glen R. Murray: I haven't read the article and I don't know what the source of the quote is, but what I did say at the time—and I was very clear—is that the priority right now in the Kitchener-Waterloo area for this government is completing Highway 7 and getting regular GO service and completing the LRT. When I ask people locally, those are the priorities. We've just doubled the GO service, and our federal cousins in your party cut two trains to basically negate the improvements. Those are the kinds of fights that I think people in Waterloo region are telling me about.

Mr. Michael Harris: Well, you did promise four initially; you're now only providing two.

Hon. Glen R. Murray: It was in the context of saying that no one, to this point, has been able to produce a set of rules or regulations or give me an example of a set of rules or regulations in another jurisdiction that they think are better than what we have. I said that I thought it was a little disconnected from reality, given that no one else had done that. If you had done that, I would not have made that comment.

If you talk to the member from Barrie, you'll find out that I am most accommodating when people are reasonable and not overly political. I will make a very sincere commitment to you today: Produce some regulations or rules that you think are more reasonable or more responsible, or give me an illustration where someone is doing this better than Ontario, and I will take that seriously. It's hard for me to take it seriously when neither you nor anyone else has produced that set of rules or regulations or been able to give me an example of how it could be better.

Mr. Michael Harris: But, Minister, that's your job, to create the regulations. You're the minister.

Ms. Carol Layton: Can I—

Mr. Michael Harris: Do you not take roundabout safety as an important issue?

Hon. Glen R. Murray: My deputy wants to get in on this, so I don't want to stand in her way.

Ms. Carol Layton: Can I jump in a bit too? I have to admit—

Mr. Michael Harris: I want to just have him answer that question, though. Do you not believe or agree with me that roundabout safety is a major issue in the region of Waterloo?

Hon. Glen R. Murray: I think that the need to have safe intersections, including roundabouts, is a very real issue in Waterloo and across Ontario.

Mr. Michael Harris: So then why don't you make regulations?

Hon. Glen R. Murray: I don't believe in simply manufacturing red tape regulations for the sake of somebody's populist agenda. I have said to you—and you've raised the issue; the onus is on you—that there isn't anyone in the ministry that I can find who has actually identified this as a real, serious concern. You've said it's a serious concern; I accept your word on this. Then I've asked you what the logical question is back from the minister, which I ask everybody: What is your proposed solution to this or that?

Mr. Michael Harris: I just don't see, Minister, how you can say that pedestrian safety—

Hon. Glen R. Murray: Anyway, my deputy really wants to get her oar in the water here, and I think, just out of courtesy, that we should let her.

Mr. Michael Harris: I just find it difficult, and I think the folks in my region will find it difficult, hearing the transportation minister saying that ensuring pedestrian safety at roundabouts is red tape.

Hon. Glen R. Murray: If you want to have an honest discourse, I said that pedestrian intersections, whether they're roundabouts or other kinds, is absolutely a huge, number one priority. I also said to you that you've raised a concern that there is something peculiar or unusual about roundabouts in Waterloo region that requires additional rules. You have failed to actually identify what those rules would be or identify a jurisdiction that has rules different than ours. When you do that, I will more than accommodate it, but you've failed to do that.

Again, I'm going to ask you, can we let the deputy get her oar in the water here to answer your question, since this is an area she has some expertise in?

Mr. Michael Harris: Quickly, and then I'll come back to it.

Ms. Carol Layton: My parents are in Kitchener-Waterloo and I know how much they talk about the roundabouts in your area.

Mr. Michael Harris: You should take Glen with you someday, then.

Ms. Carol Layton: What's that?

Mr. Michael Harris: You should take Glen for a ride someday up to Kitchener-Waterloo.

Interjection.

Mr. Michael Harris: Gilles can drive.

Ms. Carol Layton: As a jurisdiction, Ontario is fairly late getting into the world of roundabouts. Since, I think, 2009, we've built about seven on our provincial highways, and there's another 40 or 50 of them in planning. Of course, we know that a lot of municipalities have really embraced them. I've got one right in my neighbourhood in Toronto, and I certainly appreciate the good number of them that are in the Kitchener-Waterloo area.

I guess the point that I'd say there is that it is a shared responsibility. All the rules of the Highway Traffic Act that apply to driving at an intersection also apply to a roundabout. Whether it is following too closely, yielding to pedestrians, properly signalling, all of those rules apply.

The other point I want to make, though, is that in the driver's manual, the handbook that we give out to all of our young folks and new people who want to drive, there is a specific section on roundabouts as well to actually guide people on that, because you do have to take care.

I guess the other point I would make is that when I first became deputy of the ministry and I started to learn more about the roundabouts—I do appreciate, though, the safety that you have in roundabouts when it comes to vehicle traffic. When it comes to an intersection, and if you do have a collision, it's going to be a very different scenario than if you have a roundabout and you have a collision, which could just be the side-swiping of a car. I guess the point there being that the Highway Traffic Act—all those rules do apply. We need people to be educated, and that's the critical thing there, and we do that through the different products that we produce as well as the driving schools.

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If you Google "roundabouts," you'll find a lot of great YouTube videos—

Mr. Michael Harris: Yes, and I know our region has done a good job—

Ms. Carol Layton: Yes, and many others.

Mr. Michael Harris: —on educating motorists. There's clearly more to do.

I want to bring you back to when you referenced the Highway Traffic Act. I received a letter from you, Minister, back in June, after I wrote to you and your predecessor on the same issue. You actually admitted that the Highway Traffic Act "does not specifically state the responsibility of pedestrians and drivers at uncontrolled crossings found at roundabouts."

I also want to reference, also from Kitchener-Waterloo, an editorial, in fact, from the Kitchener-Waterloo Record just recently. It also called on Ontario as needing a roundabout law.

"As it stands, the Highway Traffic Act, the most important law governing motorists, says nothing about the roundabouts.

"One of the gaps in provincial law became glaringly apparent during the recent trial of a Grand River Transit driver who hit a student at a Kitchener roundabout in 2011," in my riding. "Local roundabouts are posted with signs that tell drivers to yield to pedestrians. But because

Ontario traffic legislation is silent about roundabouts, drivers are not required by law to give way to pedestrians in roundabouts."

Were you aware of that?

Ms. Carol Layton: I am aware of that, and actually, I think I'm also aware of that unfortunate accident. I guess the point that I'd make there is that a roundabout is just another form of an intersection, in a sense, and so the Highway Traffic Act applies, regardless. It should not be seen as—if you don't have a very express reference in the Highway Traffic Act, it doesn't mean that you don't use good common sense and understand how to drive a vehicle when you're in that roundabout.

Hon. Glen R. Murray: First off, I drive through roundabouts. A family I sponsored to Canada lives in Waterloo—I'm out there a lot—and two of my best friends and my partner's best friends, so I'm out there all the time.

Mr. Michael Harris: Do you signal when you go in a roundabout?

Hon. Glen R. Murray: Of course I do. When I get into the intersection of a roundabout—you yield to pedestrians. In my community, I have five-way corners, I have off-centred intersections, I have all kinds of confusing corners, and we have a set of rules. We don't have a set of rules that apply. The same standard applies. When you come to an intersection, you yield to a pedestrian. Every driver does that.

If someone was driving a truck, who was a member of the Ontario Trucking Association—or a bus—they are not only trained in the manual; they are well trained in that. Find me bus drivers who don't know that, and I will be—

Mr. Mike Colle: Point of order, Mr. Chair.

The Chair (Mr. Michael Prue): On a point of order.

Mr. Mike Colle: Can we get a photo or a picture or a map of this famous roundabout? Because I want to know—really, it would help.

The Chair (Mr. Michael Prue): Your point of order is not well taken, but you can ask for it tomorrow when it's your turn. That's not a point of order.

Mr. Mike Colle: I'm going to ask for it tomorrow.

The Chair (Mr. Michael Prue): Yes.

Hon. Glen R. Murray: The rules are very clear, because they apply to all intersections. The same rules apply in a roundabout that apply in other intersections. They are not difficult. They exist in almost every country, and they're in—we do not prescribe differently.

Mr. Michael Harris: Now, I want to go back—

Hon. Glen R. Murray: What would you imagine we would put in the highway act? At roundabouts, the same rules apply as at a four-way intersection or a five-way intersection? Just give me the language you want and I'm happy to write it in. But I'll tell you—

Mr. Michael Harris: Well, you know what? I did; I tabled—

Hon. Glen R. Murray: But seriously, it has been very—

Mr. Michael Harris: I tabled a private member's bill, Minister.

Hon. Glen R. Murray: I find it disingenuous—

Mr. Michael Harris: No.

Hon. Glen R. Murray: —when I say to you that I have no issue with the concern you're raising and accept that this is a matter of concern, and I say to you I don't think the problem is more regulation, because the rule is simple and clear. Traffic experts—and I've talked to lots of folks, CAA and others—say, "Don't have multiple rules because people don't follow them. Have one clear rule, which is that at an intersection, you have to come to a stop if there's a pedestrian and yield to the pedestrian."

Every safety expert I talk to tells me that the clarity and simplicity of that rule is paramountly important, and creating different rules for different intersections would create complexity and problems.

Mr. Michael Harris: Well, you know, Minister—

Hon. Glen R. Murray: Again, I ask you sincerely: If this isn't politics, and you're really concerned about public safety—and I accept that you are—then please find me a jurisdiction that has a regulation substantially different than Ontario's, anywhere in the world, and show me what the writing is. You failed to do that in over a year.

Mr. Michael Harris: No.

Hon. Glen R. Murray: You've dined out on my reputation, which I take deep offence to—

Mr. Michael Harris: Oh, Minister, come on.

Hon. Glen R. Murray: —and you can't give me today, in front of your colleagues, a straight answer to a straight question.

Mr. Michael Harris: You told me—

Hon. Glen R. Murray: Quite frankly, sir, would you please show me a single regulation different than our own, better than our own—a panel of safety experts who are giving different advice than I'm getting, because, with all due respect, I defer to the experts in this, not a colleague of mine in the Legislature who can't produce a single bit of evidence to support his position or an alternative rule.

Mr. Michael Harris: All right. Well, I let you talk, so I'm going to go. Minister, you came to my community in Kitchener—Waterloo and said I had my head in the sand, that roundabout safety wasn't a real issue in my community. Well, I'll tell you it darn well is. There was a girl that almost lost her life crossing a roundabout. Even in your own letter, Minister, you said that it "does not specifically state the responsibility of pedestrians and drivers at uncontrolled crossings found at roundabouts." So it's your law that you need to fix; you are the minister.

Minister, I tabled a private member's bill in this Legislature, the Safe Roundabouts Act. I'm not being prescriptive. I said, "Consult with the experts," including the police in my region who support my call for clarity on roundabouts in Ontario here. The CAA, the agency you just referenced, also supports my bill.

I'm asking you to consult with the experts and create clarity in the Highway Traffic Act to create rules on roundabout use. People are going to get killed here because there's not the clarity. You say this isn't an issue? It darn well is an issue.

Hon. Glen R. Murray: Okay, I will consult again; I have.

I want to tell you a little story about some of the things you'll learn when you're old like me. It's what I call the problem with crosswalks. Any of us who has been in municipal government maybe has experienced this. A young child gets killed on a busy street, or an elderly person; the city council, against the advice of the police and all the experts says, "Well, the solution is we'll put a crosswalk here." All the evidence is that you shouldn't put a crosswalk there, but it's like a placebo. The city councillor, the mayor and everyone say, "Well, little Jane got killed and this is terrible." So, under political pressure, "How can you look the parents in the eye and not put a crosswalk there?" I've seen that happen before. Then, I've seen other people get killed, hit and injured in that crosswalk because it wasn't evidence-based.

So I went to talk to people. Everyone thinks that we should do more awareness and more education about this, and the region of Waterloo is doing that.

But I really want to go back to the deputy and the ADM. Show me what that rule is. I can't find anyone, Mike, with the greatest sincerity and respect, that is actually proposing something different than what's already in law. I think there are other things we can do to do that. To say that I'm not concerned about safety—I've said it over and over. It's not my issue here. My issue is simply, "What is the rule?" Now I'll turn it back to—

Mr. Michael Harris: But I'm asking you—

Hon. Glen R. Murray: Give my deputy a chance because they've been dealing with this issue for years before I came along.

Mr. Michael Harris: So are you telling me the CAA, the Waterloo region police—you know what? These parties all support a roundabout law in Ontario. Are you saying that they are wrong?

Hon. Glen R. Murray: Okay, so tell me what the roundabout law looks like.

Mr. Michael Harris: Well, I'm asking you. You're the minister. You've got the experts; consult with them. Come to the table and add clarity to the Highway Traffic Act to include roundabouts. I've also proposed a solution that would include testing on roundabouts for G2 and G exits—road exits.

Hon. Glen R. Murray: I'm going to ask a question here. ADM Chaput, you're one of our experts. Maybe you can talk a little bit about this issue—

Ms. Carol Layton: The design—

Hon. Glen R. Murray: The design issues and that—

Mr. Michael Harris: Let's find some middle ground and support the Safe Roundabouts Act. It's there. Consult and create some clarity.

Hon. Glen R. Murray: I have consulted, and I will go back and meet with the Waterloo—

Mr. Michael Harris: They support this. Let's work together on this, Glen. I'm happy to sit down and work with you.

Hon. Glen R. Murray: Michael, they support it; that's great. If you can describe to me what it is they support and what are the changes they would like to make or

you would like to make, I've said very sincerely I will take it seriously. I'm going to turn it over to ADM Chaput because I think you and I are going around in circles here.

Mr. Michael Harris: We're going to go for coffee.

Mr. Gerry Chaput: So if I could just add a few points; I think that the deputy raised it as well. Certainly, the instructions in the driver's handbook are a good start in terms of educating the public on how they should manage and drive through a roundabout. The legislation does include, as we mentioned before—and the roundabout is designed to include one-way signs, yield signs, stop bars etc., for the driver so they have an understanding of how to treat the intersection similar to others.

I think the biggest issue here is that there's a shared responsibility between the pedestrian and the driver. The pedestrians should be looking both ways before they cross the street. The driver should be attentive to the pedestrian that's standing on the sidewalk or waiting to enter the intersection. I think, clearly, drivers have to yield to pedestrians when they're on the roadway. Our legislation says that. Clearly, pedestrians need to wait for a safe opportunity to enter the intersection. They need to get that eye contact with the driver. We want to make sure that pedestrians cross where it's safe. We teach our children that. That's one of the laws that we learn, as a young child and as we grow up, with Elmer the Safety Elephant.

But the important aspect, too, in terms of a design perspective, is that a properly designed roundabout is designed with islands. It's designed with traffic features that slow the driver down considerably before even entering a roundabout. The pedestrian has a chance to make that eye contact. There are splitter islands so that the pedestrian doesn't have to cross all the lanes at the same time. They usually have a splitter island that allows them to stop in the middle. Again, watch the traffic approaching in the roundabout to wait for a safe opportunity to cross—

Mr. Michael Harris: So I'm going to get this on, because I know we've got seconds left: What I want to

ensure is that the Highway Traffic Act states who yields to whom when the pedestrian is on the curb at a roundabout. That is what we're looking for: clarity in the act. It needs to be there. It's the yielding with pedestrians that's unclear right now in the act itself. You can only look to the court case recently for the confusion pertaining to that.

Hon. Glen R. Murray: Okay, so now we're making progress. All right. I agree with you on that. My understanding is that there is clarity, and I can tell you as a driver that that was always clear—

Mr. Michael Harris: But "roundabouts" isn't in the act.

Hon. Glen R. Murray: Okay, but it is a universal law, and the argument against specifying in law is that it then starts to create exceptions—

Mr. Michael Harris: So, the final question of the day: Will you work with me on this?

Hon. Glen R. Murray: Absolutely. Yes.

The Chair (Mr. Michael Prue): Okay. That's the final question, because the time is up on that. It is now one minute to 6. I'm going to use the Chair's prerogative to say that we are finished for the day.

We are back tomorrow to continue and to complete this particular ministry. Given the time that is left for tomorrow, which is approximately two hours and 15 minutes if we start at 3:45, and given the fact that we still have two hours left of questioning, I have taken the decision as the Chair to tell the Ministry of Aboriginal Affairs not to come, because there will literally only be about five minutes after we deal with the questions, after we deal with the estimates and the votes, and after we deal with the two important motions that are before us. Just so people will know, the Ministry of Aboriginal Affairs will not be called. Okay? Everybody understands that? All right.

It now being 6 of the clock, we are adjourned, and back tomorrow at 3:45.

The committee adjourned at 1800.

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Second Session, 40th Parliament

**Assemblée législative
de l'Ontario**

Deuxième session, 40^e législature

**Official Report
of Debates
(Hansard)**

Wednesday 20 November 2013

**Journal
des débats
(Hansard)**

Mercredi 20 novembre 2013

**Standing Committee on
Estimates**

Ministry of Transportation

**Comité permanent des
budgets des dépenses**

Ministère des Transports



Chair: Michael Prue
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 20 November 2013

Mercredi 20 novembre 2013

The committee met at 1554 in room 151.

MINISTRY OF TRANSPORTATION

The Chair (Mr. Michael Prue): We'll call the meeting to order. We are here to resume the consideration of the estimates of the Ministry of Transportation. There is a total of one hour, 58 minutes remaining. The third party has 20 minutes. Mr. Marchese.

Mr. Rosario Marchese: Thank you, Mr. Chair. I'm going to get right into it because, as usual, I've got a lot of questions, so I want to try to get through them as best as I can.

Yesterday, we left off where I was asking a question around, is this a trend towards bundling being driven by the investment needs of the finance industry. I want to get right into another quote that I have from a firm. It's called Structuring and Managing Construction Risks in Public Private Partnerships, by Timothy J. Murphy, partner of McMillan LLP. This quote says the following:

"Since the borrower for each project is typically a minimally capitalized" special purpose vehicle, "the lenders will also seek to ensure that none of the risks that the public sector has transferred to the private sector through the project agreement is stranded in the SPV. Obviously, as risks are 'dropped down' from the SPV to the construction company and the operator or service provider, there exists a requirement that the transferred risks be covered appropriately between the operator and the constructor."

So while the government says that it's transferring risk to the private sector, it seems to have partnered with a highly motivated, capable and creative risk-avoiding machine. And according to this document, ultimately, it's the smaller contractor or sub-contractor that is forced to bear most of the risk, not the P3 investor.

It sounds to me like it's not fair, ultimately. Do you have an opinion on that?

Hon. Glen R. Murray: The deputy may have, and I'll give you a very simple, straightforward one: No, they're not minimally capitalized. Our AFP contracts are considered the best in the world. As a matter of fact, Mr. McCuaig, who you saw yesterday, is in the UK today because he's been invited by an international community of experts, both people who believe in traditional models as well as in this, to be the lead in a discussion on this. If you looked at the Windsor-Essex parkway, you—

Mr. Rosario Marchese: Minister, that's not what I was asking. This quote simply says that the risk is dropped down to the lowest level.

Hon. Glen R. Murray: No, but I've explained that's not true, because you have to have a level of capitalization to be able to do business. The consortium that is building the Windsor-Essex parkway is the fifth-largest. It's backed by ACS, and some of these are secured by their own national governments. That is just simply not the case in Ontario.

Mr. Rosario Marchese: I see; okay. You agree with that?

Ms. Carol Layton: I think—

Mr. Rosario Marchese: If you agree, that's good.

Ms. Carol Layton: Yes, I do.

Mr. Rosario Marchese: Very good, lovely. You're all together on that.

I have another quote by economist Toby Sanger, who says the following:

"Since P3s are invariably set up as 'special purpose vehicles' ... the big companies behind them can simply walk away if they aren't making enough profit or if things go wrong, thanks to limited liability laws for corporations. The maximum they lose is any equity and any net cash they've put in, less what they've been paid. And a number of P3 companies have abandoned their projects, or used the threat of doing so to get money out of the government."

"Government always bears the ultimate risk because it's ultimately responsible for delivering the service."

So while the government says that it's transferring risk to the private sector, its private P3 partner is invariably a highly motivated, capable and risk-avoidance machine. What do you think about what he said?

Hon. Glen R. Murray: Well, I think that may be a valid criticism in other jurisdictions. I don't think it's valid here. It's also the way we cash flow and pay people. It's all performance-based. They have to complete the work, and it has to be inspected up to standard before they get a cheque. So the exposure and liability—let's go back to the only project that we've ever had any major issues in reconstruction on. There were no payments. I mean, they could walk away, but they would be walking away with a huge loss on the project. So we have taken care of that, and again, part of the reason—I'll just say this: We do not have an ideological perspective on this one way or the other. And—

Mr. Rosario Marchese: So all these criticisms are ideological and your point of view is that Ontario is not ideological and is just doing the right thing? Is that—

Hon. Glen R. Murray: My point of view is that, given the mix that we do of both AFP and traditional development and other models, the lens that we have taken—this is where I think governments have gotten into trouble. There are governments that are carrying huge debt—

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Mr. Rosario Marchese: Okay.

Hon. Glen R. Murray: Let me just finish.

Mr. Rosario Marchese: It's just that I don't have much time and I just wanted to know your view. You basically said that it's valid, but not in Ontario.

Hon. Glen R. Murray: I've got two sentences to get out. Where I think governments get into trouble is if you blindly, ideologically believe that private sector outsourcing or privatization is always the answer, or you think that the public sector can solve all problems. So we try to take an evidence-based, pragmatic approach to it. The two risks that you just identified are two of the critical reasons that we structure our agreements the way we have.

Mr. Rosario Marchese: Okay. Let me read what Professor—the same professor that I just cited—Sanger says:

"But how is this risk calculated?"—because that's what all of this is based on. "They don't say. The value-for-money risk assessment templates Infrastructure Ontario provides are frankly embarrassing from a public policy perspective, especially for decisions that have involved billions of dollars of the public's money.... The value-for-money assessments release for each P3 project are superficial window dressing.... When I've directly asked officials for these calculations, they claim it's 'proprietary' or confidential information—and all the P3 documentation that's made public leave out these details and other details on how much the P3s will actually really cost by year." This is ideological?

Ms. Carol Layton: The comment that I'd like to make is: Have you gone on the website of Infrastructure Ontario and looked at the value-for-money methodology? And have you actually gone on to all the different projects—the 60-plus projects—and seen how they've calculated for it? Also, have you gone through all of those projects and looked at the project agreement, which is incredibly detailed?

Mr. Rosario Marchese: So Deputy—

Ms. Carol Layton: And there's a fair amount of transparency—

Mr. Rosario Marchese: Gotcha. So when I quote Professor Sanger, when he says that he "directly asked officials for these calculations" and "they claim it's 'proprietary' or confidential information," what you're saying to me is that I should go on the site, he should go on the site and that whatever he has come up with, this professor, is simply not legitimate?

Ms. Carol Layton: No. What I'm saying is that there's certainly information on the site, but there is

indeed proprietary information. Even the project agreement that you will see on the Infrastructure Ontario website does have redacted information because there is a lot of commercial sensitivity.

Mr. Rosario Marchese: So what do you think about what he said? Do you agree or disagree? What do you think?

Ms. Carol Layton: What I think, certainly because I'm sitting in a different seat, where I have the privilege of being taken through fairly detailed value-for-money methodology as these things track their way towards treasury board—

Mr. Rosario Marchese: So we trust you.

Ms. Carol Layton: —my perspective is certainly that for the information that's available as a senior public servant, I am—

Mr. Rosario Marchese: So we have to trust you and the minister, because your views are evidence-based and ours are simply that we surmise based on what we don't see and what we don't know, and it's ideological.

Ms. Carol Layton: Those are your words; those aren't my words. What I would say, though, is that I do count on the governance structure of Infrastructure Ontario. I do count on the fact that they have a board of directors. I do count on the qualifications of our treasury board—

Mr. Rosario Marchese: I understand.

Ms. Carol Layton: —in being satisfied—

Mr. Rosario Marchese: I understand. Very good. Thank you, Deputy.

Ms. Carol Layton: Thank you.

Mr. Rosario Marchese: Minister, you did an interview in the *Generals*, published by the Ontario General Contractors Association.

Hon. Glen R. Murray: Which I referred you to yesterday, yes.

Mr. Rosario Marchese: I marked it all up.

Hon. Glen R. Murray: I hoped you could read it.

Mr. Rosario Marchese: I will. You're quoted as saying here—this is your quote: "There is a growing concern that some projects are getting bundled too large," concedes Mr. Murray. 'In some cases they are beyond the pale, are hard to administer, and come with great complexity,' to the point that any savings from bundling is lost." You stand by that, I'm assuming.

Hon. Glen R. Murray: In context, because what I was saying was that the challenge that we have on industrial policy is that we have to slowly scale up bundles so the smaller Ontario companies—especially in the south-west and the north, where we don't have large-scale companies—can compete for larger contracts. Our goal with the way that we are organizing contracts is to build engineering, construction and financing consortiums that can compete in other countries to bring that home. The tension—and I want you to understand this—is the tension between moving too quickly, too big, where we lose Ontario companies, and not doing it soon enough so that we build their capacity to compete internationally. That's the strategy.

Mr. Rosario Marchese: I see. Okay. So that quote is explained by what you just answered. Is that it?

Hon. Glen R. Murray: That was one half of it, and if you read further on in the article, you'll see me describing the other side of the question.

Mr. Rosario Marchese: Oh, I did see that as well, yes. I'm just trying to see where—

Hon. Glen R. Murray: But it was more interesting just to take that one.

Mr. Rosario Marchese: —because you seem to stand on both sides. That's my confusion and problem. I support de-bundling, Minister, where you say that we've got to de-bundle a lot of it. On the one hand, you say those things; on the other hand, you say other things. It's hard to know where you stand.

Hon. Glen R. Murray: No. If you're not overly ideological about it, you stand in the centre of pragmatism. What I said about it was fairly simple. It's not hard for a Liberal to understand this—and moderation.

Mr. Rosario Marchese: Oh, Liberals understand that very well.

Hon. Glen R. Murray: It is finding the balance—

Mr. Rosario Marchese: I understand.

Hon. Glen R. Murray: No, but it's very clear. We need to understand this because this is critical. We actually have a construction industry in Ontario that's very, very dependent on municipal and provincial contracts that they agree to.

Mr. Rosario Marchese: I got that. I understand.

Hon. Glen R. Murray: The degree to which we—if you want to use the word “bundling”—bundle has to be progressive enough to get them to grow fast enough, but not so fast that we leave them behind. That is a pragmatic, moderate, thoughtful, practical approach, I think.

Mr. Rosario Marchese: Okay. Thank you. Minister, you were expecting a study by an expert panel that has been put together and that was supposed to have been given to you by the end of October, and the issue was about project bundling. Did you get that report?

Hon. Glen R. Murray: No. It's—

Mr. Rosario Marchese: “Analyzing the successes and failures of the AFP and the PPP models has fallen to an expert panel”—

Hon. Glen R. Murray: That is being done by the assistant deputy minister in another ministry, in infrastructure, a very bright public servant by the name of Chris Giannikos. I don't think he has finished his work yet because it, quite frankly, started a little later than we had hoped. But yes, I expect that will be done soon, and I'd be happy to share that with you.

Mr. Rosario Marchese: Good. That review will probably talk about its failures as well, and maybe we might go to the traditional way of doing things. Is that possible? Will we have that non-ideological kind of project review?

Hon. Glen R. Murray: I think what you'll find is the practice that we have in place right now. Choosing whether it's an internal, traditional delivery and procurement or whether it's AFP will be done based on evidence,

and I think it will provide us with greater evidence and metrics on how to evaluate the projects to make those decisions more effectively to get the best value out of our dollars.

Mr. Rosario Marchese: The Eglinton LRT project was originally just a design-finance-build, but in September 2012, the government blindsided everyone and announced that the TTC would not operate or maintain the LRT. Two months after that, Metrolinx agreed to let the TTC operate the LRT line, but a maintenance component remains in the P3 procurement. Why were the maintenance and operations added to the P3 at such a late date?

Hon. Glen R. Murray: I wasn't minister at the time, but I remember the context because I'd been a citizen of the city through that entire period of time. There was a huge fallout after the St. Clair streetcar line was built and the problems that people within the city council, including some of your party members there who had raised very, very strong concerns about how delayed and how obstructive the construction schedule was—and as Metrolinx and the provincial government have never been over budget or late on a project, Metrolinx took over the execution and continued to—

Mr. Rosario Marchese: So you're using that—

Hon. Glen R. Murray: No, let me finish—

Mr. Rosario Marchese: You're using St. Clair as the basis of what—

Hon. Glen R. Murray: No, no. I'm saying that there was a lot of pressure on the provincial government to step in and take a larger role in the construction projects, which we've done, and we have been delivering all of our transit projects in Toronto on budget and on time, which, I would say, differentiates it from some of the scheduling time delays and costs that were associated with other public agencies that undertook those projects.

Ms. Carol Layton: What I would just add is that the relationship between Metrolinx and the Toronto Transit Commission is a critical one. The Eglinton Crosstown is a very important project and, as you can imagine, its integration with the subway system is very, very important; there are interchange stations. Therefore, as they continued to discuss and negotiate—and it was a negotiation, largely, between Metrolinx and TTC in terms of respective roles—that's when they arrived at the issue of the preference of the TTC, and that is that they are there for the maintenance component.

Mr. Rosario Marchese: So that's the answer to why maintenance and operations were added at such a late date.

Ms. Carol Layton: That is my understanding. I wasn't in the room for those conversations, but that's my understanding.

Mr. Rosario Marchese: When maintenance and operations were added to the P3s last year, was another value-for-money comparison commissioned?

Ms. Carol Layton: Again, the value-for-money is done, as I've said before, three different times—and I cannot speak about it at exactly that point, but I would

say that it is done, as I said, at the critical junctures that it has to be done at. Certainly one of them is before this thing goes to treasury board for formal assignment.

Mr. Rosario Marchese: Sure. I'm assuming that when maintenance and operations were added, they would do another value-for-money comparison.

Ms. Carol Layton: The whole analysis would have to be thought through, and the risk assessment and the risk transfer.

Mr. Rosario Marchese: If you could just verify that for me and send us the information, that would be helpful.

Ms. Carol Layton: Sure. We could verify this.

Hon. Glen R. Murray: I don't think that the TTC has any objections to it. Secondly, we outsource our onboard servicing at GO to Bombardier. We've done this before, and I would say that the satisfaction for customer service with GO is very high, and I think the TTC is struggling with it. So I think we try to look at, are we delivering—

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Mr. Rosario Marchese: Minister, did you say that you don't think the TTC objected to that? Because they wanted operations and maintenance. You're saying—

Hon. Glen R. Murray: I don't think Mr. Byford, since he has come on, has ever raised an objection with me, and I think that the TTC is very happy with the relationship they have with Metrolinx, and particularly happy with the provincial government that's picking up the tab.

Mr. Rosario Marchese: God bless.

Ms. Carol Layton: Mr. Marchese, if I could, we do have Rob Siddall, the chief financial officer for Metrolinx. He's pretty skilled on the procurement items. Would you like him to also speak to this?

Mr. Rosario Marchese: It's just that I'm afraid that he might be a bit long, so if you could just send the information, that would be great—unless you could do it in a minute or less.

Mr. Mike Colle: Oh, sure. Let him up.

Mr. Rosario Marchese: Please, but you have to hurry, because I've got lots of questions.

Ms. Carol Layton: He's a former controller for the province of Ontario. He's a very skilled accountant. I think it's probably worth listening to Robert.

Mr. Rosario Marchese: So the question was, was the value-for-money comparison commissioned when maintenance and operations were added?

Mr. Robert Siddall: Yes.

Ms. Carol Layton: How's that for succinct?

Mr. Rosario Marchese: It's beautiful. It's so clear, because you guys are so—and so that value-for-money audit—

Mr. Robert Siddall: I can elaborate if you—

Mr. Rosario Marchese: No, no. Oh, God. That would be great.

I'm assuming we're all in agreement. Everything is working well, right?

Mr. Robert Siddall: Yes.

Hon. Glen R. Murray: Yes.

Mr. Rosario Marchese: I would imagine that.

Hon. Glen R. Murray: We're very happy.

Mr. Rosario Marchese: Because once we're all committed to the P3s, obviously everything is going to have to work one way or the other, right?

When operations were taken out of the P3 scope, was another value-for-money commissioned?

Mr. Robert Siddall: Yes. So this time I will elaborate. When we're looking at these projects, we look at the opportunities to transfer risk. We look at the full spectrum of various opportunities that we have to transfer risk, and we calculate out, working with IO, what those various opportunities are and what the value of those risk transfers are.

Mr. Rosario Marchese: I understand, yes.

Mr. Robert Siddall: So when we're looking at something like this, we would look at, what is the opportunity to transfer out more risk if we do a DBFOM versus whether we do a DBFM or whether we do a DBF? We expect the value-for-money analysis to show greater value as we transfer out more risk to the private—

Mr. Rosario Marchese: It seems that that's the way it works all the time. That's why I say some of these things are cooked. That's why I'm nervous about everything. I know you're not because it's all evidence-based, but I'm telling you, based on a number of people who do these studies, I am not persuaded by them. That's my point. When we bring forth these kinds of quotes from different people, it becomes an ideological argument.

What is the size of the maintenance component of P3s compared to the construction components?

Mr. Robert Siddall: I'll have to get the detailed number for you on that. But it's fair to say that if you're looking at the maintenance component of a 30-year contract, it will be larger than the actual construction component of that contract.

Mr. Rosario Marchese: And so you'll tell us how big one is versus the other? Right. Because I'm assuming all that would affect the value-for-money comparisons.

Mr. Robert Siddall: Yes, it does.

Mr. Rosario Marchese: And what is included in the maintenance contract?

Mr. Robert Siddall: The full details I can get to you. Again, some of it might be redacted, but generally it covers the responsibility of maintaining the service capacity of those assets entrusted in that contract over the period of the 30 years. The whole business—

Mr. Rosario Marchese: Sure, but I'm assuming it includes vehicles, track work, buildings, things like that.

Mr. Robert Siddall: No. In this case, the maintenance is of the assets included in that contract, which are the stations, the signalling and the track work, so it's not the vehicles.

The Chair (Mr. Michael Prue): Two minutes.

Mr. Rosario Marchese: For me, a decades-long contract offers opportunities to amplify fudge factors in how the value for money is calculated. That's my worry about how all these things work.

But can I ask you, how will the TTC's operations interact with private maintenance?

Mr. Robert Siddall: Again, it's in both interests for all of us to have that service working and functioning at its highest capacity at all times. The TTC has an interest in terms of the impact on their vehicles and ensuring that their vehicles have the greatest useful life on the tracks that are being owned by Metrolinx, and we have a responsibility to ensure that the whole service is as sufficient and effective as possible.

Mr. Rosario Marchese: Yes, we can only hope that it will be seamless and that everything will work out as you hope.

But I want to read something, and then I have a final question here. Since we know P3s involve private profits at higher borrowing costs, they can only be justified by pointing to the magical efficiency of the private sector, with all the players seamlessly interacting with each other.

At our last meeting, Bruce McCuaig said that P3s offer big opportunities for private sector innovation, because Metrolinx would not be designing the construction methodology. Unlike a traditional design-build, we would not tell the contractor exactly how something is to be built. We would, instead, specify outcomes and let the private sector magically figure out the most innovative and efficient way of building. But haven't you already limited the opportunities for innovation? You are digging the tunnel, which limits where the stations can go and their design. The TTC is operating the line, not to mention the feeder bus routes, which means the private contractor would not have full control over the operational parameters, which again limits the station design. Finally, the private maintenance contractor must work alongside the TTC, again requiring a great deal of co-operation and limiting the contractor's freedom to innovate.

How will the Eglinton P3 contractor be able to innovate and achieve efficiencies with so many complexities and constraints?

The Chair (Mr. Michael Prue): And I'm afraid he has used up the entire time. Twenty minutes to the Liberals.

Hon. Glen R. Murray: I'll take that as a closing statement.

Mr. Rosario Marchese: Well, you have 20 minutes that you can answer the question now.

Mr. Kevin Daniel Flynn: Thank you, Mr. Chair. Welcome back, Minister and Deputy.

Obviously, in a comprehensive transportation plan, you need a variety of modes of transportation, and often I think the media kind of fixates on certain projects that become the issue of the day, where there's disagreement about them or where there's agreement. One mode of transportation that doesn't seem to get its fair share of the media attention, I think, is on the bus rapid transit routes. I know, being from a 905 area, where we've got the 407, we've got the QEW and we've got the 403 coming into Oakville, they form the skeleton of our transportation system, along with the Lakeshore West GO line. I'm

wondering, Minister, if you could tell us a little bit more about the role that bus rapid transit plays in the future transportation plans, what projects we have under way, what projects we have in the future.

My understanding—and my experience is mainly with the Halton regional government—is that there's general agreement that the plans that we have in place under the Big Move, including the bus rapid transit, are the sorts of plans that regional government wants to see in place.

Hon. Glen R. Murray: I've talked about this before, but the deputy and I and our team over there are working on something called iCorridor, which will also determine all of the data that my friend from Trinity-Spadina was asking. It will actually make it very transparent, so everyone can see the metrics and how we make decisions, so that how routes are designed is based on evidence, on economic impact, on measured evaluation about what conditions are required for concentrations of employment and buildings at subway stations and looking at what the impact on the tax base growth is so that there is a return.

I'm very fond of what's sort of called the concession model in AFPs, where you actually don't use private capital; you have the private sector build at a subway station a platform for commerce and culture, not just for moving traffic. If you look at the UK—actually, it was started by Tony Blair in the Labour government—they've done some very interesting things, with Canadian companies, interestingly.

But one of the other things is the hierarchy of need, and this was sort of my frustration, and I think it's very destructive. I have to say that I'm a little discouraged because of the low-grade debate going on in Toronto right now that isn't evidence-based. The consequences of whether you put in—subway, surface and elevated isn't the vehicles that you run; it is the infrastructure that you build, whether you put it on a greenway, whether you do it like a BRT that you referenced on Highway 7. Whether it's underground or above ground or at grade is less whether you're using the crosstown technology that has the electrical on top—that's a subway running on Eglinton.

It's interesting when people talk about something like subways. If they're talking about what's running on the Yonge line, that is the worst and most difficult stuff to run at grade or above grade. You can run it in almost a ditch, if I can use that word, which is where it runs most of the time, but there is very little flexibility, and there are huge challenges, because you've got a lot of electricity that's exposed, and you have to enclose it.

We have now got a political class in this city on the right that has argued that that technology is the only appropriate technology. I have friends of mine calling me, whom I have known for years, who are mayors, who read this stuff and just think it's laughable that anyone who wants to be Premier or mayor can actually articulate that lack of understanding.

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The best technology, if you look at what's being used, is what we call crosstown, the kind of thing that's being

used on Eglinton and in Kitchener-Waterloo right now, and that's going into Ottawa, because it runs underground and it runs above grade, but that carries between 15,000 and 18,000. For example, for Oakville, maybe south Oakville in the Lakeshore Road area or on Hurontario, this is the perfect technology—for two reasons: One, it carries enough people for mixed-use residential, mid-concentrations of commercial; and supports more intensification. That technology, which can run at grade, below grade or elevated, carries enough people and has enough economic impact that it will provoke the concentration of employment, track concentration and clusters of investment.

Bus rapid transit will attract low- to mid-rise development. It will provoke some significant tax base growth, and it will carry about 6,000 to 8,000, I think—I'll look to be corrected, John; in that range?

Interjection.

Hon. Glen R. Murray: And then more traditional bus service is about 4,000 per hour.

If you look at what's happening in York region, with Richmond Hill and the town of Markham, what they've done is remarkable. If you haven't been up there, they have a complete-street project, they've got their bus rapid transit systems separated from traffic on Highway 7, beautifully connected into the new Vaughan extension of the subway and into GO lines. The way the municipalities have changed the zoning to mid-high-rise, mixed-use development on the highway is giving both of those communities not only rapid transit, but a rapidly growing tax base from more commercial and employment lands.

The other thing it does is that it contributes bus rapid transit in the way that you've described it, which I think makes sense in places like Oakville, depending on the concentration. You've heard me say that what Premier Wynne and I, and I think you and our government, are trying to do is to understand a very simple piece: that you have to integrate land use with transportation planning. And that more important than connectivity—than whether you build a rapid transit line or a BRT line—is what we would call proximity, which means what's happening in Markham.

What's happening in Markham and Richmond Hill right now, with large employers like IBM and small developers—Reza Moridi has just been a magnet for attracting and working. Actually, as an MPP, I'm advocating with the two mayors there, Mayor Barrow and Mayor Scarpitti. They've now attracted investment. What they've now got is high-value, high-quality jobs along this transit line that would never be there without that bus rapid transit line, which means that there are more people now in Richmond Hill and Markham who don't leave Richmond Hill and Markham to have to commute downtown. There are more people starting small and medium enterprises, which means that the 401, the 404, and the 400, highways that have traditionally been our large north-south, are having less traffic on them.

Mayor Lehman in Barrie is now up to 30%—when we extended GO service up there. They've extended their

bus service by 30% and integrated with GO. Why? Because what we'd like to have in Barrie is that 60% of the people who live in Barrie work in Barrie. So building the commercial base of Barrie means that you won't have to extend the highways, because our highways are all at or about to go over capacity.

Mayor Burton, for example, has been very thoughtful, as have Mayor McCallion, Chair Carr and others, about this idea of working with us—through my other job, the growth plan, and with the Big Move—in looking at what the implications of different transit options are. Why Mayor McCallion, for example, is so upset at the official opposition is that we are looking at three or four years of solid work that was done. Millions and millions of dollars were spent by the private sector.

Actually, when I was president of CUI, I was hired with a whole group of about seven major international companies who did the new plan for downtown Mississauga. There are only five property owners in central Mississauga, and the reason that there's an LRT there is that the negotiations with the developers, the builders and the retailers was that a subway—if we did the Yonge Street subway there, for example—simply would not have the ridership, and it would have huge operating costs that neither the municipality nor we could do.

A bus rapid transit on Hurontario is too light. It would not provide enough capacity, not only to move the future demand; it would not provoke the development, because you already have much higher-density development than you do on Highway 7, so it's a different situation, so you could do that.

The Big Move is a very thoughtful plan that is a sub-plan of the regional growth plan of smart growth. I was talking to a former—I won't mention their names, I don't want to get them in trouble—minister in the previous government who was very involved with smart growth, who expressed great frustration with his own party. He said what the party has done is this: "We were the party that invented smart growth in Ontario and introduced the integration of land use and transportation"—Deputy Layton was appointed, quite enthusiastically, by the previous government and came in and played a key role in both the previous administration and ours in doing that—"and have lost the economic development aspects."

You heard me talk yesterday about economic capacity, that we've lost it—you know, I have a project that we have going on right now that we'll be releasing publicly, which is a tax and infrastructure map. We mapped out the entire GTHA: how much taxes are paid by traffic zone and how much money goes into them to sustain them—you know, water infrastructure, sewer infrastructure, transit infrastructure, basic infrastructure. What you'll see if you look across that—we're now doing all of Ontario, rural Ontario and northern Ontario to understand the balance, so which areas, which communities and which neighbourhoods generate more taxes than they cost in infrastructure; which ones have high infrastructure costs and don't generate a lot of taxes; and how much infrastructure is required.

A lot of people thought that it would be an urban-suburban split or that bus rapid—I'll come back to bus rapid transit in a second. What we found out is that it was quite different. For example, in Peel region, where MPP Mangat is from, you will find communities that have incredibly efficient infrastructure, high-value design and have provoked a very strong tax base. You will see other communities—that you would, if I gave you the postal codes, probably think were pretty similar communities—that with minor differences, have low transit use, high infrastructure cost and a relatively weak tax base.

So when you hear Mayor Fennell or Mayor McCallion talking—I think Mayor Fennell said a while ago that now when they build a house in Brampton, it costs \$15,000 more to service it than they're ever going to generate in revenue from it. So we just simply can't build development. What we've discovered through this is that probably the biggest, most important infrastructure decision we make is transit. The absence of transit is one of the biggest things that causes what I would call a tax-infrastructure deficit. If you don't have transit, you don't have the walkability, you don't have the proximity and you don't have the strength of the tax base.

Bus rapid transit works really well on Highway 7. Why? Because Mayor Scarpitti and Mayor Barrow and Chairman Fisch did their homework, and they chose bus rapid transit because it works. Mayor McCallion and Mayor Fennell and others who have been advocates for LRT and not bus and not subway, it's because they did their homework and they did their land use, and it works. It will not—because they're using some road surface capacity—increase traffic congestion; it will actually take a lot of cars off Hurontario. And people who never ride transit or have no interest in riding the LRT—the biggest beneficiaries will be the motorists and the builders and the people who live there, because it will reduce the amount of demand for the traffic lanes for cars and the competition for cars.

So you're quite right, Mr. Flynn, that we have to integrate transportation. What the Big Move does—and Places to Grow—is that it builds on a positive legacy, quite frankly, some of it started by the party in official opposition. My only distress is that they haven't been able to attach themselves to some of the very good work and are now not only attacking our agenda, but in some senses, attacking what was some of the best of their own.

Mr. Kevin Daniel Flynn: Thank you, Minister. A lot of people don't realize that the second-largest station on the GO network is Oakville. Certainly, we've made some significant improvements there in parking. When we inherited the system, there was a lack of parking. We had a lack of rail capacity. We had trains running at a pretty infrequent rate, and it wasn't always the mode of transportation you wanted to take home from downtown because often you'd have to wait at Union Station, sitting on a plastic chair at 11 o'clock in the evening.

We've made some expansion plans. Anecdotally, I'm hearing from the public that the biggest thing that we've done, the best thing we've done, is go to the 30-minute

service, where people are starting to view the GO train almost like a subway. You don't have to try to make a train; you show up at the train station and in a short period of time, a train will be there. Probably the most you could wait is 25 minutes if you just missed the last one. That is, obviously, something that is appealing to people that want the flexibility when they're returning home in the evening. As I was saying, you don't have the hourly service. Often, the hockey games or the baseball games would end just after the train had left, and you would have a huge crowd sitting at Union Station. For the next game, perhaps they'd choose a different mode of transportation. They'd bring the car down instead, sooner than having to wait an hour at Union Station for the train to come.

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Anecdotally, I'm getting the impression that ridership is up significantly in the few weeks or months since we've made those changes. I'm hearing some numbers tossed around. I'm wondering, Minister, if yourself or the deputy or perhaps one of the staff members may have some idea as to what increases we're seeing in ridership levels.

Hon. Glen R. Murray: I'll let the deputy do the ridership numbers.

Ms. Carol Layton: It's a good point that you make there. That was June 28, actually, of this year, this summer when they moved pretty well to the half-hour service for the GO Transit service. That is 263 new train trips along the line—weekdays, Saturdays, Sundays; it's pretty extensive.

I do not have the ridership numbers, but I can certainly get those for you, MPP Flynn, in terms of that. But certainly I'm with you there, and I don't think Rob would have them because he pays attention to the financials more than he does probably—well, the ridership does mean financials.

But we do know that we're hearing also from a lot of folks that where you used to think about—you almost had to schedule, in a way. You had to think about your schedule in terms of going and catching a GO train. Now you just go there, and if you've missed one at a certain point, you just know that 25 minutes later another one comes along, so you sit at the station. We're starting to see Wi-Fi at those stations as well, so it's becoming a much better experience for people to be on the GO system.

But in terms of the actual ridership numbers, I do not have those with me.

Mr. Kevin Daniel Flynn: Okay.

Hon. Glen R. Murray: We talked a little bit about bus rapid transit—for example, the 407 in midtown and Oakville is going to help connect that.

It's very interesting, and I always suggest people do this. Anyone who has been on the Gardiner or the Queen Elizabeth Way knows that, in the morning, the traffic is now balanced. There are almost as many cars going out of Toronto as coming into Toronto. And part of the reason is because the demand for employment—Mississauga has

the second-largest commercial base now in Canada, after Toronto. The GO service—and part of the reason we went to half-hour GO a while ago is overcapacity coming into the city and only 20% full going out.

So let's take Oakville again, which you're very familiar with. When I met with Mayor Burton—and I think I met with every mayor and almost every major commercial developer in the GTHA. The most important thing we can do, to go back to proximity, is get commercial development and employment lands developed along the GO line. Nothing will reduce congestion on our highways on the south half, below the 401, better than that, because the dream is to get that 20% capacity—we're only using 20% of GO capacity as outbound.

So now, whether you're in Oshawa or Oakville—and what's interesting now is that I think I have 17 major development proposals coming out of communities for major office complexes, including Oshawa and Oakville. We are now seeing an unprecedented level of commercial development and office development in the 905. When that's complete, not only will the highway be a two-way highway, but our GO services will be busy going east to west, not just in and out of Toronto. And you're quite right: We will actually have turned GO from a downtown Toronto commuter service into a regional rapid transit service or frequent transit service. That is going to be, I think, one of the biggest legacies of this government in reducing congestion.

The Premier said, "Figure out all of the things you can do using existing infrastructure." That's costing us \$7.5 million a year. I think it's one of the best values we're getting as far as investments that we've made.

The Chair (Mr. Michael Prue): About two minutes left.

Mr. Kevin Daniel Flynn: Thank you. Did you have anything else to add?

Ms. Carol Layton: Yes, just a little bit. It doesn't exactly get to your question—and we will get the numbers for you—but in terms of overall GO Transit ridership, and it is bus and train, in 2012, there were 65.5 million passenger trips, up from 62 million just the year before. So that's a 5.6% growth. By 2017, the forecast that Metrolinx anticipates would be about 78 million passenger trips, and that's—again, the majority of them are the GO train. Of that 78 million, 58 million would be GO train and 20 million would be bus passenger trips.

But again, the increase specific to the 30-minute service on the Lakeshore line is one that we'll get back to you on.

Mr. Kevin Daniel Flynn: Thank you. Having been through the process—you probably won't have time to answer that, but I just want to be clear that we were asked to be patient in Oakville as we went through a number of steps that allowed us to go to the 30-minute all-day GO service. We needed the extra rail; we needed the extra capacity from CN. I'm assuming that, as we attempt to secure that in other areas of the province, other areas of the GTA, we'll have to go through those same steps, and people who are going through that should know it's well worth waiting for.

Hon. Glen R. Murray: Absolutely. We had five years of no investment in GO before, so it was very stunted. One of the biggest line items in our ministry, as you probably know looking at the estimates, is GO, and one of our fastest-growing areas is building and replacing track and upgrading track, because the biggest impediment we have to expanding the GO service right now is buying tracks and building tracks. If you go out to the Kitchener-Waterloo-Georgetown line, we're spending a small fortune right now to get that track in shape, to get more frequent service. We think it's critical not to make all of the other communities spokes in Toronto's hub, but to actually create an equitable system of movement where people can be employed anywhere in the region and work within the region.

The Chair (Mr. Michael Prue): With that, I have to cut you off. Twenty minutes to the Conservatives: Mr. Yurek?

Mr. Jeff Yurek: Thank you, Chair. Good afternoon, Minister and Deputy Minister.

Minister, in your opening statement, you made a comment which I thought was a great comment, about moving away from cookie-cutter designs when you do rebuilds outside of Toronto—I'm talking rural Ontario. It's bringing me to my question: In the London area, currently there's—I told you about this about a year ago, when you first started, and you said, "Let the process go through." It's about the Glanworth underpass over the 401. Right now, they're going through consultations with Dillon and the MTO, and what has occurred over the last year—we just had our last public meeting last week, during the break week. There are numerous companies that are going to be adversely affected by the proposed—the favoured route of the MTO and Dillon Consulting. We have a crane company, Cameron Crane, who are on Tempo Road, which runs to the south of the 401. The MTO wants to close that off, and the crane cannot actually make the turns properly if that's the only route that's left open. We have Gentek windows, which employs 180 people and is looking to expand and continue, and with one of the options that has come forward, they'll lose half their land in this reconstruction. Therefore, they'll probably shut down and move somewhere else, which they've already told us. And Unifor and the Brotherhood of Electrical Workers have a union hall. Closing down access to Tempo Road will add at least another half an hour to actually get to the union hall.

The main concern that we're having here is for our area farmers who move their farm equipment over the Glanworth overpass to get to the other sides of the fields and move their equipment. The MTO is pushing to remove the underpass altogether, which will have increased farmer traffic—their tractors and trailers and such—on our main highway, the Colonel Talbot Road, which will inevitably cause more accidents, I would say. They're moving slow, and people aren't patient with crossing over.

A couple of the concerns are that during the consulting that Dillon did, they spent one day in October to assess the movement of farm equipment, talking to the area

farmers during bean season. It's not an actual case to look at the movement of farm equipment in the area over three seasons—spring, summer and fall—and the fact that the north-south movement that the Glanworth underpass allows is actually more preferred to the east-west, which isn't really accessible farther away. Furthermore, their concern is with the amount of money they're actually adding to the local economy. We do quite well with our farming in that area. With the removal of this bridge, they're more apt to have concerns with safety, as I said, and, actually, the usable time they have to actually take crops off of the field and move their crops.

In talking to all three at the last public meeting, what the MTO had put forward was really not a public meeting of discussion. It was, "Fill out some cards and move on." But a good discussion did break out, and they actually came together—each of the areas—and proposed a solution to the MTO which would take care of Cameron Cranes, take care of Gentek and allow them to expand, take care of the Unifor business, and the farmers are quite happy with it. It provided safety.

Their concern is that there is a cookie-cutter model, and I'm just wondering—I believe you in saying that you want to get away from the cookie-cutter model, and I believe the ministry here in Toronto wants to get rid of the cookie-cutter model. Are consultants really up to speed with not wanting to provide a cookie-cutter model across the province? They're not listening to the concerns of businesses and farmers in my area, and I want to bring that forward to you, because they will eventually. Because the answer, looking forward, is that they're not going to be listening to either group and their suggestions. I really believe that you truly do not want a cookie-cutter model of policy from the MTO, and I'm red-flagging this because it's coming your way—

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Hon. Glen R. Murray: I appreciate that, and I want to also thank—

The Chair (Mr. Michael Prue): I wonder if I could just interject for one second. This is the last 20-minute round. I should have told you that before you started.

Mr. Jeff Yurek: Yes, that's fine.

Hon. Glen R. Murray: Just really quickly: I appreciate your patience and that you allowed the process to go forward, and I did make a very sincere commitment to you if there were problems.

The tension here—and this doesn't sound like it's a huge issue in that area—is over-access where communities use our highways so that they become the on- and off-ramps for all kinds of businesses, and it impacts negatively on the flow of our highways. That is more of a problem on things like the 403 and the Queen Elizabeth than it is where you're talking about.

What you're proposing to me seems incredibly reasonable. I've gone down there, because I was visiting some friends, and I drove by the area, so I've had a look at it. What you're also suggesting tested real with what I saw. I haven't had a chance yet because I haven't been briefed on it, and I would be quite happy to ensure that you're at

the same briefing I'm at, quite frankly, to go through this, and we will work to make sure that we are not undermining local businesses and farmers.

ADM Chaput is here and this is his area. He may not be able to answer, because it's quite specific, but I think he could certainly give you a commitment and identify the people we could follow up with, if he can't answer your question. But I'm very sincere in my commitment to you, and I will fulfill it.

Mr. Gerry Chaput: As per the minister's recommendations, we will arrange a briefing to talk about some of the work that we've done. I'm not familiar with the specific details of the project, but traditionally our projects, as I think you've mentioned, have a lot of public outreach through public information centres, environmental assessments, council presentations. For most of the projects that have an impact like this, where they're closing a road, often you can follow an OMB process to ensure that the road is closed properly.

Having said that, I can assure you that Dillon does assess the full case. Dillon would have looked at the comments of all the cards that we received at the public information centres, as we do at all our projects. But we will ask the design team to go back, to make sure that the day they did the farm survey or the review of the traffic was representative; that maybe, as you mentioned, it may not have been painting the full picture.

As well, the consultants certainly still follow our direction in terms of what we're looking for in the scope of the project. They're prequalified to do work on certain projects, and therefore it is their responsibility to listen to businesses, to listen to farmers, to generate solutions and alternatives that they bring back to the ministry, and they do consult with us on the solutions that they provide.

I'm quite confident that ministry staff have been consulted on this and probably have concurred with the findings of Dillon, but we will go back and review what we looked at and provide that in a briefing to you and the minister.

Hon. Glen R. Murray: Just really quickly, when I was talking about integrating land use and transportation planning, it really is important to me. Traditionally in Ontario, for 50 years, we have planned highways and rapid transit separately and not integrated land use. That's not anyone's fault; it's not the public service's fault. It's just that that was the practice here. So one of the things Premier Wynne has charged me with is to do that, and this is a classic example of it. You've got to look at the highway not just as its ability to move people, which is critically part of the conversation, but you've also got to look at the surrounding land use and how this is integrated into the community in that kind of way. That will become a more formalized process as we move forward, as we're successful. As I said yesterday, you'll be hearing a lot more from me, and I think it's resonating.

This doesn't have to be a partisan thing. I think some of the things that you and your colleagues have been saying in your caucus have been the same thing, that we've got to bring stronger infrastructure planning to-

gether, and we need a better toolkit to do it. You've just given a case study of why that's important. I will make sure that that dimension is there.

I make a very strong commitment to you: We will not be proceeding in a way that compromises those businesses. I will work rather unrelentingly with you until we have a solution that will maintain Mr. Chaput's high standards of highway construction but also meet the concerns that you've raised.

Mr. Jeff Yurek: Okay, thank you. Now I'll guess I'll move on back to my critic portfolio questions, then.

Hon. Glen R. Murray: All right.

Mr. Steve Clark: He's not that enthused about that.

Hon. Glen R. Murray: No, no. I'm absolutely, totally fine with it. It's just that when I go out of my way, as I did yesterday—and I think we have an understanding just to be nonpartisan for breaks and moments, so that we can actually move important projects forward that should be of interest to all Ontarians, like the Pan Am Games—I do that in good faith, and I usually like that respected. Most of your colleagues, quite frankly—whether it's you, Julia, Joyce Savoline, Brenda, Christine Elliott or many others—have always respected that, and I just don't think it's helpful when you don't. I don't hold you responsible for your colleagues' behaviour. I like Rod Jackson, and I was quite profoundly disappointed today, because I thought to we were making some progress there.

So, on to your critic's job, my friend.

Mr. Jeff Yurek: Thank you. I want to talk about the Union Pearson Express. The Auditor General's report from last year didn't seem too happy with what was going on with regard to the implementation and the pricing of how the Union express is going to go forward. Do you expect the UPE to break even in its first year of operation?

Do you want to call it the Union Pearson Express or the UPE? What do you guys call it? UP Express?

Hon. Glen R. Murray: UP.

Mr. Jeff Yurek: UP?

Hon. Glen R. Murray: UP, like the movie.

Mr. Jeff Yurek: Will the UP break even?

Hon. Glen R. Murray: The way I'm going, I'm going to be flying around in balloons soon, like that grumpy old man. That's my retirement savings plan.

Robert can tell you all about the financials on this. I don't want to get my numbers—when I said yesterday that I hate numbers, it's not that; I love math. The one thing that I can guarantee on a big project is that the number that you have today will not be the number you have tomorrow. So I say that with the proviso that I can guarantee that the one thing that will change is the number. But Rob will get you closer than I can, on the numbers.

Mr. Robert Siddall: First of all, we haven't set the fare, so, again, the financial model is incomplete until we set the fare for UP Express. In any start-up operations, you don't expect to have the ridership there and the revenue there for the first year or two of operations. I think, again, we're building this for the long term. We

expect that it will recover, after a number of years, its operating costs going forward.

Mr. Jeff Yurek: So you don't have an idea of what the fare would be yet? Metrolinx has proposed \$20. Is that fair to what you think it's going to be going forward?

Mr. Robert Siddall: We have not, again, at this point determined the fare.

Mr. Jeff Yurek: Okay. Now, the private group that was going to take on the building of the UP pulled out when its investors fell through. Is there something that we should be concerned about? Did you see something special about the project, that scared the investors away, that you didn't think was an issue?

Mr. Robert Siddall: No. Again, I think this is a project that has been on the books of the government for decades, and it's very critical to this region that this project move forward. I think that, as a regional transportation organization, we were very concerned that this project move forward at this point in time. When the opportunity presented itself, we put ourselves forward to the ministry as taking on the responsibility to deliver this critical project.

I don't have the full details of the financial capacity of the previous corporation that was entrusted to build, maintain and operate this asset, but we were comfortable at Metrolinx delivering on this responsibility for the province.

Mr. Jeff Yurek: Okay, because they proposed a \$27 fare, and the Auditor General says you probably won't break even unless it's \$28.

Hon. Glen R. Murray: The firm was SNC-Lavalin. The financiers were the Royal Bank of Canada. There was a great deal of complexity in that. You've got to remember that we went through a global recession in this, so the appetite and numbers and projections for air travel were there.

I think the other thing that happened is that, in most of the places in the world where you have these premium express services from a major airport to a downtown transportation hub, they're generally run by government, and even if they started as private sector projects, they've migrated to be government partnerships.

Right now, we're building very aggressively for the Pan Am Games, which is a priority for us, because we need this infrastructure to move people and to welcome people. We think it will be extraordinarily impressive.

But I've pointed out to people that we're building the Georgetown line out to other communities west of Toronto, and the track capacity that we're building there also lays the foundation for future regular transit and commuter transit possibilities as well. Just because, right now, the priority is to move a premium service on it does not preclude us from having a more integrated, regular commuter service on there as well.

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So we think that Metrolinx is doing great work here. We think that this project is providing a foundation, not only in equipment and cars, but it's expanding track capacity for GO and for other urban commuter services

in the future. But right now, we're very focused on the UP service and very optimistic that we're going to have a pretty impressive service that will be the best in class in the world when it's finished.

Ms. Carol Layton: Just if I could add, market research is exactly the sort of thing that Metrolinx is conducting now. I do appreciate that the former Auditor General did indeed come up with his own estimate of what would be the fare that you would require to break even, but as Rob says, this is a long-term proposition as well.

So the whole area of fare—and what would be the sort of benefits to riding it, such as luggage-handling and all those other wonderful characteristics that could be on what will be the service, are all the stuff that's being determined right now.

Mr. Jeff Yurek: Okay. That's good. It brings me into the next question about—in comparing other markets with the same share, I guess, you're looking to get 10.8% of the surface transit market share. In the States, the range of fares is between \$1.30 and \$13. Do you think it's reasonable that you'll attain that market share with the price even being at \$20, let alone \$28?

Mr. Robert Siddall: Again, the Auditor General was critical of our forecasts. In responding to their recommendations that we update our forecasts on an annual basis and do that going forward, we have agreed on our estimates of the revenue, and we are still confirming that our initial projections are that we are going to hit the estimates that we set out to the Auditor General when we shared that information with him.

Mr. Jeff Yurek: Would you be able to share that information with the committee? Is it available?

Mr. Robert Siddall: Yes, I think—we'll go back and get that information and bring it forward.

Hon. Glen R. Murray: Also, I've met with Howard Eng, who's the CEO of the Greater Toronto Airports Authority, who has been a big proponent of this. The GTAA has been looking at this, and they were quite involved with the design of this because, as you know, some of them, like London's, ran into some trouble—Paddington Station connections and stuff that many of us have used. We think that the input from the airport and the partnerships that came together to plan this were much more dynamic and much more complete than in other situations. So we're pretty optimistic, I think.

But you know, no one has ever built one of these before in Toronto. When you're doing things for the first time that have never happened before, you're taking on a higher level of risk. What's the alternative, you don't do it? Were there proper assessments? Did the Auditor General come in and do this? Have we used the highest standards of private sector partners? Have we done the highest-quality analysis? Did we work carefully with the airport? Did we do careful comparators with every comparable service in the world? Yes. What else could we do? I'm not sure.

The choice was and all of the evidence was that this was a sensible plan and a sensible project, but there are no guarantees in life.

Ms. Carol Layton: And if I could add to that, there are more than five million passengers who travel between Pearson and downtown Toronto every year. When you get off the airplane, you have two choices right now, pretty well: Hop in a taxi or drive to where you're going. If you want to go downtown, if you look around to find your route by transit—"Where is the stop to get onto the bus, then to get onto the subway?"—it's a bit of an adventure to do that at the GTAA.

The key thing there, though, is that if you do indeed take that taxi ride from Pearson to downtown, what are you paying? Is it \$50, \$60, \$70?

Mr. Gilles Bisson: Sixty bucks.

Ms. Carol Layton: It's pretty expensive. I'm in the west end of the city and it's \$40. So the key thing is I think it's going to be competitive.

Hon. Glen R. Murray: The other thing that hasn't been calculated into a lot of the formulas, the more recent decisions, is that we are now concentrating GO rail and also GO bus service around Union Station. We've been moving aggressively with private developers. We'll hopefully have announcements in the new year. But it won't be just to downtown. What you'll be into is the largest regional transportation hub, centred around Union Station soon, of bus services, including private carriers. So you'll be able to come in from Pearson and more easily get to Waterloo or Brockville because of—I've been working for the last several months with coach services, and we're working right now with private sector carriers and developers to try to make sure that the UP isn't just for downtown Toronto, but it will be into a hub. We have a number of stations along the line that will actually be connecting the larger part of the province, plus we have the island airport now, which is very important in northern Ontario communities, which this will be integrated into. As well, I'm working with the city on the Queen's Quay east and west LRT projects. We're building a major hub that will allow people to get off UP and connect to just about anywhere else in the province, either by plane, bus or train.

The Chair (Mr. Michael Prue): I have to stop you. The time is now expired.

Mr. Bisson, you have 20 minutes.

Mr. Gilles Bisson: Okay. All right. If you could turn to page 34, Minister and Deputy. I've got a number of questions.

Just on the vote in regard to the operating summary—and this is a breakdown by vote, so as you see there are five votes, 2701 through 2705. I want to go through the wage line. At the very end, it indicates a 17.4% increase in overall wages across all those votes. Can you break down that 17%? I know that there was a wage freeze, so it wasn't because of increases in a collective agreement. Have you hired a bunch of people or have you paid performance bonuses? Can you explain to me where that comes from?

Ms. Carol Layton: We haven't hired; in fact, if anything—and in fact, I'll call Linda McAusland up as well. In terms of breaking it down, in terms of the salaries and

wages, we'd have to go through it line by line, but I think Linda could probably shed a little bit more light on this one.

Mr. Gilles Bisson: Could you, please?

Ms. Linda McAusland: Yes. Those are transfers into the ministry. We spoke yesterday about our fleet centre of excellence, so we did transfer some staff from ministries to help us manage that corporate function. We also absorbed some IT resources, so there was an influx of staff—

Mr. Gilles Bisson: That's a lot of absorption. Almost \$200 million is the budget for wages—\$192 million, to be precise—and there's a 17% increase. So you're essentially saying there's a \$34-million or \$36-million increase. Was that how much it cost us to take on the fleet and take on the IT and wages?

Ms. Linda McAusland: It was a net impact. It wouldn't be the full amount, but a large, substantial component of that. We can break that down for you.

Mr. Gilles Bisson: Could you please break—

Ms. Carol Layton: Actually, sorry, could I just clarify something for you? I'm not reading that as a 17.4% increase. I'm reading that as 17.4% of our total. You see at the bottom. So it's not an increase.

Mr. Gilles Bisson: Oh, all right; sorry. Because in the other tables, it's a percentage of the—okay.

Ms. Carol Layton: So it's based on our operating account, in a sense, our expenses; it's 17.4% of our expenses.

Mr. Gilles Bisson: It's interesting that you were answering and the way it was going, though.

Ms. Carol Layton: Well, it's a good answer, but it would be for 17.4%. We would not have that. In fact, if I may also add, the overhead of the ministry is actually completely flat—

Mr. Gilles Bisson: The reason I was asking the question is that in the other charts—and maybe it's just the way these charts are presented—it normally indicates the increase over last year. When I looked at it, I thought it was—because if you look at the other charts prior—

Ms. Carol Layton: All the other ones do that.

Mr. Gilles Bisson: They do that, and this one doesn't. That's why, when I looked at it, I said it's way out of whack with what I saw yesterday.

In regard to performance bonuses, do you pay any performance bonus to any of your managers or staff?

Ms. Carol Layton: These days, people get pay increases by promotions. We're flat on performance bonuses.

Mr. Gilles Bisson: So you're flat on those as well.

Ms. Carol Layton: Yes. That's been for two or three years. People are more or less earning what they earned the year before.

Mr. Gilles Bisson: Do you want to say something, Minister?

Hon. Glen R. Murray: Yes. I'm not disagreeing with my deputy; I just want to be really clear about things. When people were hired—there were senior executives that were hired back in the 1990s and earlier; most of

them, I would say, are 10 years or more—they have contracts that, long before we were elected, had certain payouts and things. So you'll see the contracts that are signed today are markedly different. The deputy—

Mr. Gilles Bisson: Yes, you have to honour whatever the contract says.

Hon. Glen R. Murray: So we do have people who have different provisions in their contracts, so that if you hear about people getting settlements or things like that, these are people who were hired in senior executive positions 15 years ago or more.

Mr. Gilles Bisson: That's a good explanation, but the reason I'm asking is that when I was on the Board of Internal Economy, this was an issue, because we had flatlined, essentially, all of our performance bonuses on new hires and new contracts for anybody here. Our understanding is that it was still happening within the ministries. That's why, when I saw that, I wanted to ask that question. You're saying that's not the case on new hires.

Ms. Carol Layton: We're flatlined as well.

Mr. Gilles Bisson: Then turn to page 38. I'm sure if I dig in I could figure it out. It's not a lot, but if you take a look at business support operating expenses, they're up \$320,000. What's that all about? Is that just average—because it's a \$45-million budget. Is that because everything costs more money? I take it that's what that is? Every time you buy something, prices are up etc.? I'm just wondering what—the change is \$320,000.

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Ms. Linda McAusland: There are some changes. Again, there's the inter-transfer of our fleet, so that took us up \$422,000. We then had a lease transfer where MGS absorbed some of our rent, so that's \$66,000, and then a number of immaterial changes to \$36,000. So it adds out at \$320,000.

Mr. Gilles Bisson: Okay. That explains it. I just wanted to know where it was from. We might go through this a lot quicker than I was expecting.

Well, actually, this is going to be a little bit longer. Page 46: Some of this you've already answered, so let me just get a look at this here.

Ms. Carol Layton: Page 46?

Mr. Gilles Bisson: Yes, 46. Let me just look at it, because some of it you've already answered. I just want to be clear.

The fourth line down, under "Services," you've got \$31 million estimated—this is business support operating expenses. I take it that is part of that transfer of the fleet stuff?

Ms. Linda McAusland: That's right.

Mr. Gilles Bisson: Okay. That's what I figured. "Supplies and Equipment:" again, \$23 million with an increase. Is that related to that as well?

Ms. Linda McAusland: That's right.

Mr. Gilles Bisson: All right. Boy, this is going to go quick. What are we going to do if I run out of things to do, Chair?

The Chair (Mr. Michael Prue): We'll just go to the next group.

Mr. Gilles Bisson: We'll find something to talk about there, Minister. Don't worry.

Oh yeah, the other thing is, you had "Recoveries," which means to say we got some money back. Can you explain those? I see it's year over year, we have some recoveries. What are the recoveries? If you take a look down again on page 46, bottom, "Recoveries," there was \$30 million in brackets, which I take it is money coming in or money we saved. So explain that one. That's kind of cool.

Ms. Linda McAusland: Again, I can attribute that to our fleet centre, because we do charge back our ministries.

Mr. Gilles Bisson: That's how you do it. Okay. Does that make you money or is—no, no, that's not the right way of putting it. I've got to ask this correctly.

The total outlay to what you charge back: Is it equal?

Ms. Linda McAusland: We're working on getting equal; yes, it is equal.

Mr. Gilles Bisson: But it's a deficit for you right now. That's what I can see in the numbers. You're somewhat behind: Am I correct?

Ms. Linda McAusland: We're working—we'll be net by the end of the year with the transition here but—

Mr. Gilles Bisson: No, no, I'm not giving you heck. I know it's new, and I'm just trying to figure it out.

Hon. Glen R. Murray: It's not a bad thing.

Ms. Carol Layton: We're not making a profit.

Ms. Linda McAusland: Yes, we're not making a profit.

Mr. Gilles Bisson: I wish you had made some money. We wouldn't have to tax so much. That'd be great.

Okay. As long as we aren't going to the same pocket.

Then we're going to go to the next page, which is page 47. The "Land and Marine Fleet," \$17 million: Again, is that the fleet of cars? What threw me off was "Marine Fleet." I thought most of that stuff was under MNM.

Ms. Carol Layton: No. A lot of the ferry services, the Glenora ferry, eastern Ontario, Pelee Island, Wolfe Island—there are about eight or nine different ferry services in the province.

Mr. Gilles Bisson: This is capital, so you must have had to fix or buy new—

Ms. Carol Layton: Yes.

Mr. Gilles Bisson: Is the Niska one of those?

Ms. Carol Layton: The biggest one, I think, is Pelee Island, as far as the ferry that we're replacing—

Mr. Gilles Bisson: But you didn't pay for the change of equipment up in Moosonee. That was done by northern development.

Ms. Carol Layton: Yes, that was not us.

Mr. Gilles Bisson: Okay. So this is all the stuff outside of that.

Ms. Carol Layton: Yes.

Mr. Gilles Bisson: What's the operation on the marine stuff? I didn't see it, sorry; I'm sure it's here, but—

Ms. Linda McAusland: It's here.

Mr. Gilles Bisson: Where is it? It's not on that page, obviously.

Ms. Carol Layton: Linda will find it first.

Hon. Glen R. Murray: It's expensive.

Mr. Gilles Bisson: What page is it? If you could just help me.

Ms. Linda McAusland: I'm just looking for it under "Operating."

Mr. Gilles Bisson: Yes, I just missed—I want to connect the two, and I—

Ms. Carol Layton: Is it the marine you're asking, marine in particular?

Mr. Gilles Bisson: The marine, yes. What page?

Ms. Carol Layton: That would be under PHM, I think.

Ms. Linda McAusland: Hang on a second; we'll find it.

Mr. Gilles Bisson: All right. Or if you can't find it today, that's fine. The only thing I would like is that if you could give me—I'm sure it's here. Just point out to me somewhere, when I walk out tonight, the marine fleet operating costs versus what it is.

I think there was something else on that page. Just give me a second here. Yes, the other thing is—I think I asked for this yesterday, but on the fleet transfer, where you're transferring the vehicles across the ministry into MTO, can you show me the offsets in the other ministries? I think I asked you for that yesterday.

Ms. Carol Layton: Yes, did we get that? Yes, we did. We submitted that yesterday.

Mr. Gilles Bisson: I didn't see it. Okay.

Ms. Carol Layton: The fleet transfer—no, did we do that one?

Interjection.

Ms. Carol Layton: No, maybe we did not. You're talking—

Mr. Gilles Bisson: No, I'm talking about other ministries are now paying—

Ms. Carol Layton: Okay. The one that we did do was—sorry—we were up about \$36 million with—I think it was the IT cluster, and there was a commensurate decrease—

Mr. Gilles Bisson: Yes, we saw that one yesterday.

Ms. Carol Layton: That one was submitted yesterday.

Mr. Gilles Bisson: Yes, if you just give me—what I'd like to do is see the offset in the other ministries. That's really what I'd—

Ms. Linda McAusland: Yes, we've given you the page from MGS estimates.

Mr. Gilles Bisson: That's why I like you guys.

Okay, we're going to do the next page, 48. As I was looking at this page, I thought this one was interesting. It says "Ministry Administration, Capital Expense." So in ministry expenses, capital, obviously, it's not building highways. It's not putting in GO Transit. It's \$15.9 million for what?

Ms. Linda McAusland: Procurement of vehicles. It's our—

Mr. Gilles Bisson: We're back to the damn cars. It costs a lot of money, eh?

Ms. Linda McAusland: It's 1,200 vehicles across the OPS.

Mr. Gilles Bisson: Is that all? I would have thought we—

Ms. Linda McAusland: It doesn't include our enforcement vehicles, so not OPP, not—

Mr. Gilles Bisson: So the total amount of vehicles in the pool for the OPS is 1,200. I would have thought it was more than that. I take it there's a savings because we pool the vehicles, right? You don't need as many, right?

Ms. Linda McAusland: There are efficiencies.

Mr. Gilles Bisson: Is there a lot of bickering, "I can't get my car when I need it"? I'm just curious.

Ms. Linda McAusland: There are some challenges with the transition, but it's all good.

Mr. Gilles Bisson: Yes, I'm just wondering, if somebody gives me a call.

Page 49—I take it you're there. No, I'm going to wait for you to get there.

Ms. Linda McAusland: I'm there.

Mr. Gilles Bisson: And, again, this is just—because now we're on the operating side, and there is "Policy and Planning": \$1.8 million. No, sorry. No, I think—okay; that's where I was going. So there is policy and planning: \$32 million—excuse me; "Urban and Regional Transportation": \$480 million. That's operation of Metrolinx and all that kind of stuff, right? That's what's in there. It's all of the GO Transit etc. That's a global number?

Ms. Linda McAusland: Yes.

Mr. Gilles Bisson: And the \$19 million is just the increase—okay, I get it.

Hon. Glen R. Murray: That's right.

Mr. Gilles Bisson: So that makes it easy to figure out—hey, guess what? We're coming to the end, guys.

This is a percentage one, but I take it you're going to tell me this is the fleet again. I'm going to give you the answer: It's the fleet. Which one am I talking about?

Ms. Linda McAusland: What page—

Mr. Gilles Bisson: Page 52, "Salaries and Wages"; "Policy and Planning, Operating Expense." Because, when I saw policy and planning, I was thinking, is that not operations?

Ms. Carol Layton: It's definitely not fleet.

Mr. Gilles Bisson: So \$16 million is the salaries on policy and planning. It's up a couple of million bucks—\$2.3 million. No, that's not the fleet, then.

Ms. Carol Layton: No, that's not the fleet. I think that's largely the—well, we've augmented the team, the Pan Am/Parapan planning team, and also we added—

Mr. John Lieou: Some transit—

Ms. Carol Layton: —some transit. We also added an aboriginal relations branch, and we might be seeing—

Mr. Gilles Bisson: And where are you doing that aboriginal relations? Where are you doing that?

Ms. Carol Layton: They're in our policy plan. As you can imagine, with our ministry, with regional offices and everything like that, we did create a small aboriginal relations branch so that we're out there, doing everything that we're doing, whether it's work related to certain

highway planning and all that sort of stuff, that we're better supported there.

Interjections.

Mr. Gilles Bisson: He should get to the—

Ms. Carol Layton: Highway 69 and—

Mr. Gilles Bisson: —just to put it on the record, please. Thank you.

Hon. Glen R. Murray: So Highway 69, Shawanaga; we're doing a lot more with 39 and 40 out the Kenora way. We're doing a lot more engagement and partnering in the ministry.

The other piece is, as well, you've heard about iCorridor, GeoPortal and the OGS, we're doing that with the Open Government—we're releasing that. That's also ADM Lieou. He asked for some resources to do that.

Mr. Gilles Bisson: And you wanted to put on the record—

Mr. John Lieou: For the aboriginal relations branch—

Mr. Gilles Bisson: Your name—

Mr. John Lieou: My name is John Lieou. For the ARB, aboriginal relations branch, we have a few core staff down in Toronto here. We also have regional staff who are actually attached to the ministry's regional offices up in the northeast, northwest and so on. They actually work with the regional offices and First Nations communities and so on, on actual specific projects, for example.

Mr. Gilles Bisson: Okay.

Hon. Glen R. Murray: I'd like to say something to you on behalf of the ministry.

Mr. Gilles Bisson: Sure.

Hon. Glen R. Murray: The deputy and I debrief after each of these sessions, because they're always exciting. But a lot of work goes into preparing these estimates documents. Staff does a lot of work on it; they take this very seriously. This is a point of accountability with the people of Ontario that you and I share, and your job is to hold me and the deputy and the ministry—this is the second time I've been in estimates. It's extraordinarily unusual to have an MPP go through the book so thoroughly to verify numbers and to do that.

Mr. Gilles Bisson: That's what we're supposed to do here in estimates.

Hon. Glen R. Murray: That's what estimates is about. I just wanted to pass on that it was remarked to me by the entire management team, Mr. Bisson, how much they appreciated the thoughtfulness, that you took the time to read it, and to verify it and to do your job, because we often go before estimates in ministries. People work very hard to be accountable to the Legislature, and no one asks them a question. So on behalf of the team here, thank you very much.

Mr. Gilles Bisson: You're welcome. Well, unfortunately, a little bit of history—how much time have I got?

The Chair (Mr. Michael Prue): You've got about six minutes—

Mr. Gilles Bisson: Oh, I've got time to give you this little bit of history about estimates. It used to be, at a

time, that there wasn't an estimates committee. Every committee had various ministries that reported to it, and members used to spend a lot of their time doing estimates in those individual committees.

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That's before my time. I've been here since 1990, and we've had estimates ever since I've been here, but it was a fair amount more scrutiny that went on with spending. What this place is supposed to be about—yes, policy is important, and we need to deal with that; I don't diminish any of those questions. But we're supposed to look at whether you guys are spending our money the way that we want.

I just want to—this is just a northern thing, okay?

Hon. Glen R. Murray: You're still a southerner to me, Gilles.

Mr. Gilles Bisson: I just want to show you the map here, of southern Ontario versus northern Ontario. Could you guys ever give us that in scale?

Ms. Carol Layton: Why not?

Mr. Gilles Bisson: It would make us feel a lot better up north.

Ms. Carol Layton: Southern Ontario and northern Ontario.

Mr. Gilles Bisson: I thought you'd get a kick out of that.

Hon. Glen R. Murray: My experience is that things in the north are already inflated enough, without having to contribute to it.

Mr. Gilles Bisson: It's always fun.

Okay. I'm going to get back to one of my pet issues, which is the highway maintenance stuff. Here it is. There we go. This was very helpful, by the way. For providing us this information, I give the minister some kudos here, because he gave that to our colleagues. I think you gave it to mostly northern colleagues, because we were the ones who were asking, both in the Tory party and our party—

Hon. Glen R. Murray: That's correct.

Mr. Gilles Bisson: —and, I imagine, your own members, in regard to how different highways are classified and what that classification means etc.

I just want to, for the record, say that I appreciate that we're able to make some ground on the 42 new pieces of equipment for highway maintenance. I somewhat suspect that that's not going to fix the problem, from what I'm seeing now, but it's certainly a step in the right direction and I want you to know that we actually said that. In all of my media stuff I did a couple of weeks ago, I made sure to give you some kudos for that. So if I come attacking you some more, just to let you know, I'm an equal-opportunity attacker/kudo-er. Do you know what I mean?

But let me get to this here, the map that gives you northeastern Ontario, and specifically Sault Ste. Marie, Sudbury, Cochrane and New Liskeard; I think it's before the last one. I had raised this in committee a couple of weeks ago and I got some phone calls and emails in my office about it, and people said—they were piling on.

Let's start with 144. On 144, if you're driving to Sudbury from Timmins for whatever reason—I don't care what it is—it's really the only way to get there, because otherwise, if you've got to go through Matheson, down 11 and back up around again, it's a heck of a longer trip.

Your classification system is based on how much traffic there is. So you say this is a class 2 or a class 3 highway based on how much traffic. The argument I want to put forward: That is true in most cases, but shouldn't be true in all cases. The argument that I'm going to make to you, and I'm going to ask my good friend here—Monsieur Chaput?

M. Gerry Chaput: Oui.

M. Gilles Bisson: Monsieur Chaput, parles-tu français, toi?

L'hon. Glen Murray: Il ne parle pas français. C'est épouvantable.

M. Gilles Bisson: Oh, on peut tout faire en français. C'est donc le fun.

L'hon. Glen Murray: J'ai essayé de l'engager en français. Il ne parle pas français.

M. Gilles Bisson: Oh, c'est correct. But he has the name.

Mr. Gerry Chaput: But I understood that.

Ms. Carol Layton: He understood that.

Laughter.

Mr. Gerry Chaput: He tries to get me to. I can't.

Mr. Gilles Bisson: We're getting there, Mr. Chaput. I remembered your name. Everybody who knows me knows I'm bad with names, and I remembered yours. It means to say that I've got your card, and we've got to fix this.

Hon. Glen R. Murray: Gerry's father's name is Hector, et il parle français très bien.

Mr. Gilles Bisson: It's not "Hector." C'est Hector.

Hon. Glen R. Murray: Hector. Okay. A new part of town.

Mr. Gilles Bisson: Anyway, we can get into the pronunciation of names, which is fun.

I want to make the pitch on a couple of highways. Highway 144, if you strictly go by the amount of traffic, will always be a class 3 highway. This highway, as we know, unfortunately has probably—I don't know. Maybe you guys know this, from the road safety branch. I take it just anecdotally that we have a fair amount of accidents on that road, and we've had a number of fatalities, probably more so than other roads like Highway 11 up in the area.

So the pitch I'm making on 144: We've seriously got to look at changing the classification of that highway, because there are two issues. The first issue is when it comes to winter road maintenance, because it is the only game in town. If you take off from Sudbury or Timmins at 3 o'clock in the afternoon because you've got to be there, and you're an hour or an hour and a half down the road and it starts to snow, there ain't nowhere to go. You either go an hour and a half back or you go an hour and a half forward, and you get yourself into trouble.

The problem is, if you don't have highway maintenance to the degree that you need there, it is actually dangerous. I'm asking you, Minister, can we please change that from 3 to 2?

Hon. Glen R. Murray: Very quickly, I handed these maps out for two reasons. One, because you're right: We've added 50 new units, 40-odd, and then we front-end-loaded the contract in Thunder Bay previously, at the start of the year. I asked each MPP from the north, and gave them to, you're right, people in all parties, to have a review of the classifications and to work with Assistant Deputy Minister Chaput to give us feedback, not just on volume but on criticality. So absolutely, we will review that. I can't make any promises today because I try not to interfere with this, but I certainly will support you making the case to the ministry.

The second is where I need help, because I believe that there's real improvement needed in snow and winter maintenance, so we now have the capacity out of there. I've now got to ensure that we're putting the pressure on the contractors, who now have this extra equipment, to use it fully. Again, I will need your help on that.

Mr. Gilles Bisson: Fair enough, but I also want to say on 144, even before the days of the privatization, we always had problems on 144.

Hon. Glen R. Murray: In principle, I agree with you. I hope I can support it in practice. I will make best efforts, but I don't want to overly politicize the process.

Mr. Gilles Bisson: It's the same argument for 655, and what's worse with 655 and 144 is that there's a fair amount of truck traffic on those roads. Especially at night, you're driving and you've got a bunch of snow and slush flying up and you're behind them. People tend to try to pass just for a safety reason, because you can't see anything, so you want to get in front of the transport. It's a pretty dangerous thing.

The Chair (Mr. Michael Prue): I'm going to have to stop you there.

Twenty minutes to the government.

Mr. Gilles Bisson: Unanimous consent to allow me two more minutes on the Liberal time?

Mr. Mike Colle: Sure.

The Chair (Mr. Michael Prue): No, we're—

Mr. Gilles Bisson: I asked for unanimous consent to allow me two minutes on the Liberal time.

Mr. Kevin Daniel Flynn: Only because it's you, Gilles.

Mr. Gilles Bisson: I know. Thank you.

The Chair (Mr. Michael Prue): And he got it. Okay, go ahead.

Mr. Gilles Bisson: The minister was about to respond. On 655 and 144, the last part, that little stretch of highway up at 583 into Constance Lake, there's a sawmill there and there's a community there called Constance Lake. It's a class 4, which means 24 hours. I've been stuck there before, along with many of my constituents. We need to look at moving that classification up as well. Any comment?

Hon. Glen R. Murray: Here's what would make my life a lot easier. I've had feedback from yourself, MPP Mantha, Minister Gravelle and MPP Mauro, who have all identified roads that are critically of concern for them along a similar criteria of criticality. What I'd like to do is have the northern members—if you give me a bit of time—come to a consensus. I'd like to hear from my government colleagues who have raised some of these issues, as well as the two opposition members. If we can have a general consensus where there's some consistency in what we're doing, and if you want to horse trade amongst each other, but I would also like it if you could work directly with Deputy Layton and ADM Chaput—

Mr. Gilles Bisson: Chaput.

Hon. Glen R. Murray: Chaput. I've been mispronouncing it for so long—

Mr. Gilles Bisson: I know; it's okay.

Hon. Glen R. Murray: —and Gerry has his own pronunciation of his name. I try to be respectful.

Mr. Gilles Bisson: I'll say like Rosario: Unilingualism is something that can be cured.

Hon. Glen R. Murray: Okay. I'll break out into Ukrainian in a moment.

But if you could work with them, I think there's an interest in the ministry. Eric Doidge, as well, as you know, has been looking at this. But I would just ask you to work collaboratively with that because I'm trying to establish a set of principles. When people are telling me "roads," I'm looking at the road, but when you talk about the road to Gogama there, for example, the issue you're raising is criticality, not frequency of traffic, and the criticality and the lack of alternatives. That, to me, is a reasonable principle.

Mr. Gilles Bisson: Just before we run out of time, hats off: good work on the part of your regional staff. I know when we call, when my office calls, they've always been very responsive, even during holiday times.

Hon. Glen R. Murray: I'm enormously proud of the MTO staff. This is a ministry that has an incredibly high standard, and I want to thank Deputy Layton and her team. These are wonderful people I feel hugely privileged to work with.

Mr. Gilles Bisson: You can tell Eric he can send me 10 bucks for saying that.

The Chair (Mr. Michael Prue): I don't want you to use any more time.

You have 18 minutes; you gave up two.

Mr. Kevin Daniel Flynn: Thank you, Mr. Chair. We were happy to do that.

The emphasis lately has been on commuter traffic, trying to get as many cars off the highways as we possibly can, trying to get more transit projects built and trying to get more people onto those modes of transit. A number of my constituents—certainly, I'm sure this is true around the province—tell us, "But don't forget about the highways." As much as you are concentrating on new modes of transportation, as much as you're trying to get subways and LRTs built, and BRTs, we still have a highway system in the province of Ontario that I think is

the envy of the world. We want to keep it that way. We want to expand it and we want to make sure that it still works properly.

People often think of the highway in terms of commuter traffic in the morning, certainly in the GTA. What a lot of people don't realize is that when the 403 and the QEW meet around Oakville, you're actually travelling on the 403 and the QEW until you get to Burlington. You're not just on the QEW alone. It splits off, and the 403 will take you up to Brantford and up to Woodstock and eventually onto the 401. The rest of the highway, the QEW, continues down into the Niagara region, where we've got a few international border crossings that are extremely important to the province of Ontario. You've got a viniculture industry in that area, that's certainly emerged over the past number of years, to be something that I think is world-class. You've got a tender fruit industry. So certainly around the Niagara area, as a person who drives through Oakville and Burlington on a regular basis—often in the mornings you'll hear on the traffic reports that congestion is backed up down to the Stoney Creek or Grimsby areas. I'm wondering if the deputy or the minister can tell us a little bit about what's being done to help alleviate the congestion in that area.

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People are commuting now into the GTA from the Niagara area. We're also seeing that with just-in-time delivery for truck traffic transportation and those types of things, especially in the Ford plant in Oakville, for example; where they may have warehoused parts in the past, now those parts are arriving by truck and they're somewhere installed on a vehicle within hours of arriving at the plant. When that congestion backs up those trucks, a level of concern and anxiety takes place in the Ford plant.

Just specifically in the Hamilton area and the Niagara area, what's being done to help those folks down there?

Hon. Glen R. Murray: There's quite a lot. First of all, as you probably know, there's the half-hour service on the Lakeshore line. We're also building a new GO station, a second GO station, right beside what is now known as Liuna Station. My grandmother immigrated to Canada at that station, from Ukraine, which is kind of exciting for me, so I'm quite fond of and excited to see that station happening.

We're looking at and working with Hamilton on an LRT link, which has been somewhat challenging. That GO service extension, we're hoping, will pull people off. We've been trying to work to get the ridership up on the Niagara GO service, because we realize that that modal split—we don't want to end up with a 401 of 18, 20 lines of highway.

Very specifically: Highway 140—if you have your maps, you can pull it out. We have about \$7.4 million going into that very critical highway in the Niagara region, for bridges rehabilitation. That's mostly in the Port Colborne area. That will be finished within the next 12 months, so that's quite significant.

Highway 58, which people in Niagara will be very familiar with: another \$7.3 million, and this is going to the rehabilitation of the Richmond Street and Pine bridges in the Niagara region. This project will be finished within weeks.

Highways 58 and 406—that's a major resurfacing, at \$17.4 million. This is Thorold Stone Road to Highway 406, which is very important for carrying commercial traffic in the area.

Highway 406 is a huge project, \$69 million, and that involves the widening from Port Robinson and East Main Street in Welland—very important, given some of the challenges that Welland is facing right now.

Queen Elizabeth Way: We are investing \$8 million in the Victoria Avenue and Seventh Street intersections of the QEW down that way.

We're doing major resurfacing in Grimsby. As well, we have several bridges now under construction and replacement in the Niagara region. Glendale Avenue, Beaverdams Road and Highway 406 northbound to Westchester Avenue are all being replaced or resurfaced in the next two years.

I didn't make this one up: The QEW bridge rehabilitations at Sodom Road underpass, Baker Road underpass, Netherby/Townline extension underpass, the Townline Road underpass, the Thompson Road underpass and the Concession Road underpass, and these projects will be finished next year—so, all of those.

That is one of the largest builds out in the Niagara region that we've seen in roads. A lot of those smaller roads are critical for local business. I think it's one of our largest investments ever in that region.

Mr. Kevin Daniel Flynn: Perfect. Similar questions, I think, from my colleague from Peel, Mr. Chair.

The Chair (Mr. Michael Prue): Ms. Mangat?

Mrs. Amrit Mangat: Thank you, Mr. Chair. Minister, I know lots of work is being done when it comes to improving our transportation system. My question is also with regard to highways. I know that in my riding of Mississauga, a lot of work is being done on a new interchange construction at Hurontario Street, as well as widening of the street and Highway 10 from Highway 410 to Hurontario Street—a lot of work. It's all a good-news story. It started in, I think, 2009 and it's still going on. The project is under way.

My question to you is, can you throw some light on other highways in the region of Peel, the work that is under way, so that people can, and we can, ease the gridlock there?

Hon. Glen R. Murray: You'll know—and I appreciate that you've been such a huge champion of this. Our colleagues across Peel region have really delivered in a very significant way, both on transit—I know MPP Dickson, right next to you, has got everything from the Pulse BRT to the 407 extension going on. I need a new MPP, because I'm not delivering those kinds of investments.

The big ones coming up right now: As you know, we're investing over \$105 million for a new interchange

at the 401, and this is at Hurontario. So we get into this conversation about Hurontario, that somehow the LRT is a problem. We're actually making major highway investments in Hurontario in the interchange, in the capacity and in the interface with the 401. That's actually an over \$105-million project.

Highway 403, which MPP Flynn was mentioning earlier, is also seeing about \$6.8 million at Burnhamthorpe and Eglinton. This will be finished by the end of this calendar year. We're actually in the final stage of the project right now.

Highway 403—we're doing major resurfacing of the Central Parkway. We also have an overpass to Highway 401 at the 410 interchange that's being built, as well as 4.4 kilometres of express lanes and 2.8 kilometres of collector lanes in Mississauga.

You've raised the issue in the House, which I've always appreciated. As you know, we also have the Mississauga Transitway and the busway, BRT system, which is now under way, as well as the rapid transit along Hurontario and Highway 407, and we're working on the electrification of the GO rail line.

So those are the major projects right now in Mississauga. Thank you for your advocacy for them.

Mrs. Amrit Mangat: Okay. When do you think the work which is under way on Highway 401 can be expected to finish?

Hon. Glen R. Murray: Highway 401—

Mrs. Amrit Mangat: Yes, new interchange construction.

Hon. Glen R. Murray: It's in the final stages of completion. Gerry, do you—
Interjection.

Hon. Glen R. Murray: It'll be finished this construction season.

Mrs. Amrit Mangat: Okay. Thank you.

The Chair (Mr. Michael Prue): Any other questions from the government?

Mr. Mike Colle: Yes, I guess I could ask a question.

Mr. Steve Clark: No questions from Joe from Ajax?

Mr. Mike Colle: Yes, here's Joe from Ajax.

Just getting to the modal splits, what's been happening with our modal split numbers in the GTA in the last couple of years?

Hon. Glen R. Murray: I'm going to ask the deputy that because—you had asked a question about ridership on GO, and I think we've got an answer for you. So MPP Colle, if you don't mind, I can give it to the deputy to answer.

Mr. Mike Colle: Sure.

Ms. Carol Layton: Just to read it into the Hansard so that we can fulfill the requirement before we're done here, you asked, MPP Flynn, about the increase in ridership on the Lakeshore corridor as a result of moving to the 30-day service—

Hon. Glen R. Murray: Thirty minutes.

Ms. Carol Layton: Thirty-minute service, sorry—which was a move that we did beginning in—I guess it was late June.

The midday and evening ridership on both rail lines has increased by approximately 29%, from 12,080 passenger trips to over 15,000. What's interesting is the midday ridership increased. So that 29% is both midday and evening. The midday itself is a 25% increase, with the majority of those trips going into Union Station. What's interesting is the evening ridership increased by 32%, with the majority of trips leaving Union Station, suggesting that a lot of folks—it gets to the modal split question—are choosing to take the GO home as opposed to commuting by vehicles.

Mr. Kevin Daniel Flynn: Just so I'm clear, in four months, we've seen a 30% increase in ridership?

Ms. Carol Layton: Yes. They did a survey at the start and they did one in October, so it's pretty fascinating. There's a lot more detail. I did a quick summary, and we could make sure that we have it properly captured for you.

Hon. Glen R. Murray: And we're actually, quite frankly, surprised by that. We were expecting that any significant ridership change would actually wait till there was more office space in Oakville and Oshawa, driving more of that. But it's clearly doing that, and that's kind of remarkable. That's a remarkable increase in a very short period of time.

Mr. Mike Colle: I was just wondering, the overall modal splits in the GTA: What's happening with transit versus car usage?

Ms. Carol Layton: I don't know whether John Lieou—whether you have a more specific—

Mr. John Lieou: I don't, no.

1730

Ms. Carol Layton: I don't have exactly the work on that, other than to say I guess a bunch of things. First of all, we're working really hard to encourage that modal split, to get more people out of their cars and into transit. I'm a regular transit user and I can certainly say, anecdotally, getting on at Jane station and travelling in, I no longer transfer at the interchange stations at all, at St. George or at Yonge. It's not worth the wait. I will get off and walk instead. I've seen it—obviously, the population is growing as well, but I'm certainly seeing a much more congested system. I think we're seeing that.

We're certainly experiencing a great increase in use of the GO system, hence the need for 30-minute service. People want it on all the lines, and they want the lines expanded. But certainly, between car and subway, I would have to dig a little bit deeper to give you more detail on that.

Mr. Mike Colle: Certainly TTC ridership has been climbing quite significantly over the last decade. It used to be 1.4 million a day, but I think it's more towards two million, if I'm not mistaken. Anyway, the thing is that certainly the system is congested. The public transit system is congested—the GO lines and the core system and the TTC. I'm just wondering—car ownership—what's happening with the number of cars on the road or licenced in Ontario?

Ms. Carol Layton: We have—let me just think this through now—over nine million licenced drivers in the

province of Ontario. With a population of 13 million, that's actually a pretty significant number of drivers.

Hon. Glen R. Murray: It's almost the entire adult population.

Ms. Carol Layton: Yes, and about—Rob would have the stats better than me—11 million licensed vehicles. There's no doubt that we still have a fairly all-in, car-dependent geography. You see it in some cities more than others. You know, I spend a lot of time in the Kitchener-Waterloo area, and that's a fairly car-dependent community right now, based on the way that the subdivisions and all of that are developed and designed. You'll see it in many others as well.

On the other hand, we're also seeing every year—although the amount of gas tax that's provided in the two cents per litre is about \$321 million, we do see more and more transit services coming on each year. So we are seeing that being encouraged. You know, the increase in people wanting to drive cars also is a factor of demography—aging and different things like that—people who just want to go a different way in terms of how they're getting around. But that's actually a contradictory statement in a way too, because we do need to make sure that we've got the transit and the geography in the establishment of our communities so that people are less dependent on cars and more dependent on transit.

Minister Murray often uses the reference that you could use a litre of gas to buy a litre of milk. For people that are aging and for people with disabilities, the more we have great, effective transit systems, not only in the large urban areas but also in the smaller communities—and we are starting to see some really good community transportation type of initiatives—the better we're going to be overall.

Hon. Glen R. Murray: I'll give you one number. Between 1995 and 2005, 90% of new office space was built far away, at least a kilometre away, from higher-order transit, GO transit and that. So 90% of all new employment was car-dependent development. That is, when you look at the analysis and when you look at the work that we did at CUI or the Cities Centre of U of T, or the work that Professor Amborski is doing at Ryerson, the biggest thing driving that—where is most of our commercial office space and employment lands? It's on our highways: the 407, the 404, the 427. It's what is driving it.

What we are trying to do with Places to Grow and integrated transportation and land use is that we are trying to align transit and higher-order transit. So I told the story of the Queen Elizabeth Way and the GO line, where we actually have an integrated—it's the only really integrated transportation corridor. So the subway that is going up to York University and Vaughan—we are looking at the 427 and the 401 and how do we actually create that as an integrated corridor and start shifting more traffic off the east-west and north-south there to get it on there, which is again the point you made, MPP Colle, which is why the downtown relief line is so important. It's not so much important to people in down-

town as it is important to people in the peripheral areas of the subway rapid transit reach.

Of the 404 quarters, Mayor Barrow, Mayor Scarpitti—we have been talking about the fact that that area up there has almost as much office space as the central business district in Toronto. So we're now looking with Metrolinx at trying to get rapid transit aligned with the 404 because if the 404 has the same transit capacity in that corridor, for example—

Mr. Mike Colle: Minister, if I could just—

Hon. Glen R. Murray: Sorry; go ahead.

The Chair (Mr. Michael Prue): About one minute left.

Mr. Mike Colle: I wanted to get back to the modal split numbers. I suspect, given the congestion we have in this 401 parking lot—we're seeing not much of a shift. We're seeing basically total stagnation in terms of the number of people using cars and the number of people using transit. The question we have is, what can we do to start to really get things moving towards public transit when the projects we have online are not going to be completed for 10 or 15 years?

The last question I was going to ask too, is, how many people a day do you project on the air-rail link? What's the passenger-per-day prediction?

Ms. Carol Layton: Why don't you jump in first?

Mr. John Lieou: Mr. Colle, maybe Robert can answer the air-rail question. I'll speak to your question on modal split and things like that—

The Chair (Mr. Michael Prue): No. You're going to have to wait with that answer. The time is up.

Mr. Mike Colle: Okay; that's fine. I understand that. But I can get that later.

The Chair (Mr. Michael Prue): We have a bit of a dilemma here. There are 18 minutes left. However, in about 15 minutes, the bells are going to ring. Each party is entitled to six minutes, but if I do that, the Liberals will not get their fair share. In order to be fair, I'm going to make it five minutes each, unless—and this is also another thing. At that point, we will not have a vote, so it will be deemed to be adopted. If you want to vote on it, then I'm going to have to cut the time down.

I'm in the committee's hands, but we're being constricted from many areas here. Do you want five minutes each and not vote? Do you want three minutes each and vote?

Mr. Mike Colle: Let's have the vote. Let's cut the time down and vote.

The Chair (Mr. Michael Prue): I can probably get the vote in if you all have three minutes each.

Mr. Gilles Bisson: I don't even need one minute.

The Chair (Mr. Michael Prue): Okay. You have three minutes if you want it, and then we'll have the vote, okay?

Mr. Mike Colle: That's fine with us.

The Chair (Mr. Michael Prue): All right. Three minutes each seems to be the consensus.

Mr. Clark: three minutes.

Mr. Steve Clark: I'm going to be very quick then. I wrote down a quote that you had: "We need to tell people the truth."

I've got two issues that go back to September. One was a member's statement. I've got a lot of respect for the ministry. When I was mayor and CAO and a staffer with my predecessor, I could call the ministry's Kingston office and get the straight goods. But the ministry has totally—it's a debacle, the Highway 15 construction project. We've been told different things by different people in the ministry over and over and over again. I've even offered to drive you down Highway 15 to Chantry. You don't have to answer it today, but at some point I want to know the detailed status of the ministry's plan to reconstruct Highway 15. I don't want to use any of my three minutes. We can do it at some point. I want it on the record, and I want to know because I'm sick and tired of getting a different answer.

Speaking on the truth line, I wrote you a letter in September about a meeting that the Frontenac Arch Biosphere had had with your ministry. They're a UNESCO world biosphere reserve, designated. We had the EuroMAB conference in October, and we had hoped to have these signs in place. Your ministry gave a commitment that they would do it: They do signage all the time; they're out there replacing signs. They made a commitment, and then in an email from Bill Harrett back in August, they took it away. Again, it speaks to a significant section of my riding who, like me, had a lot of respect for the Kingston office. They don't have the respect on these projects. They're told different things at different meetings by different personnel, and quite frankly, it's getting very tiresome.

Hon. Glen R. Murray: My apologies. The buck stops with me, and we'll make sure that it's dealt with properly. If it's not promptly dealt with, please get back to me right away.

The Chair (Mr. Michael Prue): Okay.

Mr. Steve Clark: Is that my three?

The Chair (Mr. Michael Prue): Yes, that's your three.

Mr. Bisson.

Mr. Gilles Bisson: Done.

The Chair (Mr. Michael Prue): He gives up his three.

Liberals.

Mr. Mike Colle: If I could just get that modal split conversation finished quickly, or is it too long?

Ms. Carol Layton: Yes. John, do you have that now, the modal split?

Mr. John Lieou: Yes. We do have information on the modal splits, and in time we can actually provide it to this committee, maybe later on. Just very quickly, information that I have right now is that the auto driver split in the GTA in the 6 to 9 a.m. period is 58%. The 24-hour average is 62%. Local transit is 13.7% for the same period—13% and 11.8%. The GO train is 1.7% or 1.9%. We have all this data, so we can provide it as a follow-up.

Mr. Mike Colle: And make it available to the committee.

Mr. John Lieou: Yes.

Ms. Carol Layton: Actually, just on that, we should have provided it. We have a small, little guide. It's a public book as well, so it's even on the website. But we will provide it.

Mr. Mike Colle: Okay. As long as I get that, okay? Because I'll forget.

Ms. Carol Layton: For sure. We'll get you a book.

Mr. John Lieou: For sure, yes.

The Chair (Mr. Michael Prue): Any further questions? You still have about a minute.

Mr. Mike Colle: No. We're fine.

The Chair (Mr. Michael Prue): You're fine? Okay. Are the members ready, then, to vote?

Mr. Mike Colle: Yes.

The Chair (Mr. Michael Prue): Okay. Shall vote 2701, that is, the ministry administration, carry? Carried. Shall vote 2702, policy and planning, carry? Carried. Shall vote 2703, road user safety, carry? Carried.

Mr. Gilles Bisson: Which one's the minister's salary? *Laughter.*

The Chair (Mr. Michael Prue): Okay. Shall vote 2704, provincial highways management, carry? Carried.

Shall vote 2705, labour and transportation cluster, carry? Carried.

Shall the 2013-14 estimates of the Ministry of Transportation carry? Carried.

Shall I report the 2013-14 estimates of the Ministry of Transportation to the House? Agreed? Agreed. Then that would conclude that.

There are two other items that we might be able to squeeze in, but if we don't, we can deal with them next week. If we deal with them today, that would conclude estimates for the balance of the year. Do you want to try?

There are two other items. The first one is that we have the 45 boxes from the ministry of culture, tourism and Pan Am/Parapan Am Games. How does the committee want those to be distributed? Do you want them on—

Interjection.

The Chair (Mr. Michael Prue): No.

Interjection.

The Chair (Mr. Michael Prue): Okay. We have 22 boxes that are redacted and 23 boxes that are not redacted.

Mr. Rob Leone: Mr. Chair, if I may, I think when we dealt with finance, we suggested that the unredacted portions of the material remain confidential, but the redacted portions of the material become public. I would ask that the Clerk distribute those documents via USB key. Do I need a motion for that?

The Chair (Mr. Michael Prue): If you want that, then it's going to take some time to scan it.

Mr. Rob Leone: They aren't scanned?

The Chair (Mr. Michael Prue): No, not yet.

Interjection: The motion didn't ask for it.

The Chair (Mr. Michael Prue): The motion did not ask that they be scanned. The motion just asked for the documents. The documents have been produced in re-

dacted and unredacted form. And this is just the first batch; this is just the first batch.

Mr. Mike Colle: Could we get this done next week—

Mrs. Amrit Mangat: Chair, does every member get—

The Chair (Mr. Michael Prue): Well, that's up to the committee. If you want one per party, I need a motion. Now, we don't have to do it today. If you want to—

Mr. Mike Colle: I might suggest Monday or Tuesday.

The Chair (Mr. Michael Prue): It has to be—the committee can only meet on Tuesdays. We can meet Tuesday morning, if you want to be prepared to—

Mr. Gilles Bisson: You have the estimates of native affairs on Tuesday.

The Chair (Mr. Michael Prue): No, this is the end of estimates. I have to report it tomorrow. Estimates is finished until next March.

Mr. Gilles Bisson: No, but the committee can still meet.

The Chair (Mr. Michael Prue): But not for estimates. Only for procedure.

Mr. Gilles Bisson: I understand that, but the committee can meet on Tuesday at its regular scheduled time to deal with procedural business.

The Chair (Mr. Michael Prue): The committee can meet next Tuesday, yes, on procedural business. Is the committee prepared and wants to meet next Tuesday?

Mr. Mike Colle: Yes.

Mr. Rob Leone: Yes.

The Chair (Mr. Michael Prue): All right, then. We are adjourned on estimates and we're off to a vote.

The committee adjourned at 1744.

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Tuesday 26 November 2013

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Mardi 26 novembre 2013

**Standing Committee on
Estimates**

**Comité permanent des
budgets des dépenses**



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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 26 November 2013

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 26 novembre 2013

The committee met at 0904 in committee room 2.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): Okay. We're calling the meeting to order.

Committee members, on October 30, 2013, the Standing Committee on Estimates received a report from its subcommittee on committee business with regard to the method of proceeding with the information received to date from the Ministry of Finance pursuant to the June 11, 2013, motion adopted during the review of the 2013-14 estimates of the ministry. If you recall, the matter was deferred by the committee after brief discussions. Since then, the subcommittee has met and has produced a new report. If it is agreeable to members of the committee, I suggest that we withdraw the old report and consider the new report before us. If you do agree to that, as per the rules of debate the new report is debatable and amendable.

Does the committee agree to withdraw the old one and proceed with the new one? Agreed? Agreed.

Can I have someone read the new report into the record and move its adoption? Does everybody have a copy?

Mr. Mike Colle: I'll read it.

The Chair (Mr. Michael Prue): Okay. Mr. Colle.

Mr. Mike Colle: This is a report of the subcommittee of the Standing Committee on Estimates.

Your subcommittee on committee business met on Tuesday, October 29, 2013, and Thursday, November 7, 2013, to consider the method of proceeding with the information received from the Ministry of Finance pursuant to the June 11, 2013, motion adopted in committee during the review of the 2013-14 estimates of the Ministry of Finance, and recommends the following:

(1) That the committee accepts the information received from the Ministry of Finance that are responsive to parts 1, 2 and 4 of the motion.

(2) That one electronic copy of all redacted and unredacted documents received be provided to each caucus and that the caucuses keep the unredacted documents confidential.

(3) That the Ministry of Finance be notified in advance should the committee decide to make the unredacted information public.

(4) That the redacted documents responsive to part 2 of the motion be made public.

(5) That the subcommittee meet when the information responsive to part 3 of the motion is received by the committee.

The Chair (Mr. Michael Prue): Discussion and comments?

Mr. Mike Colle: I just have one minor change, because it has gone back and forth so many times. There might be a bit of confusion in using the term "documents being made available" in part (2) and then it goes to "redacted information public." So if we could just change, in part (3), the word "information" to the word "documents," so we keep the continuity of documents as documents.

Mr. Taras Natyshak: You're going to have to say that again. You lost me.

The Chair (Mr. Michael Prue): Yes. Are you talking about paragraph (3)? You want to change the word "information" to "documents"?

Mr. Mike Colle: Yes.

The Chair (Mr. Michael Prue): Okay.

Mr. Mike Colle: That's basically it. Because it's just to make it—

Mr. Taras Natyshak: Okay, yes.

Mr. Mike Colle: —understandable.

The Chair (Mr. Michael Prue): So I take it that that's a friendly amendment. I'm seeing nods all around. Okay, a friendly amendment to change the word "information" to "documents" in paragraph (3).

Mr. Mike Colle: Just to remind the committee, just for our purposes as members of the committee, that just in talking with the deputy minister in the Ministry of Finance—just to remind us all that the unredacted documents are confidential to us. It's stated in the motion anyway.

The Chair (Mr. Michael Prue): Okay. Any other discussion? Ready to vote? All those—

Mr. Steve Clark: Wait, wait, wait. No, no. I just want to make sure. The last comment: I just want to clarify it.

Mr. Mike Colle: Yes. The only change is, the word "information" in part (3) is changed to the word "documents." So it's "redacted documents public" rather than "redacted information public."

Mr. Steve Clark: And then your other comment was just—

Mr. Mike Colle: Was just to remind the committee about the unredacted documents are to remain confidential within the committee. The discussion we had is, if you want to go forward, then you should contact the ministry just to let them know about the process.

Mr. Steve Clark: Yes, and I guess my only concern on this report—it was unfortunate that Mr. Leone was unable to be here. He had something scheduled for 9:15, and I just wanted to take an opportunity to consult with him prior to the vote, so that I had the opportunity—I don't want to come back and not be able to table an amendment. I've had difficulty connecting with him this morning. He was the one who has been involved. He has been the lead on this. He has been involved with the subcommittee. So I just wanted to ask the committee's indulgence if I could just have a few moments to connect with him.

The Chair (Mr. Michael Prue): If you want to request a recess prior to the vote, that's always in order. If you want to do so—

Mr. Steve Clark: I haven't spoken to him so I don't know if he had any opportunity—

The Chair (Mr. Michael Prue): —up to 20 minutes—

Mr. Steve Clark: Again, I've been aware that there have been times where we've had a recess and then not been able to table amendments. Again, I've been unable to speak to him this morning. I just want to reserve the right that if he arrives and decides he wants to make an amendment, the committee is understanding.

0910

The Chair (Mr. Michael Prue): If you are seeking an adjournment for the purpose of allowing Mr. Leone, hopefully, to be here, then I think that's in order, but it should not be a long recess.

Mr. Steve Clark: No, no, no.

The Chair (Mr. Michael Prue): How long are you looking at?

Mr. Steve Clark: Twenty minutes, I guess. There's going to be more debate, so that's why I'm just—

Mr. Taras Natyshak: Mr. Chair, just to maybe appease Mr. Clark's concerns, this is wholly consistent with the subcommittee, that we had agreed on—myself and Rob and Mr. Colle were there. It's pretty straightforward. This is exactly what we figured was the best way moving forward. I actually think that that's an improvement, in terms of the change of the word "information" to "documents." It's a lot clearer.

The Chair (Mr. Michael Prue): If I could, in order to expedite and move things along—we do have another item—could we just put this vote down for about another 10 or 15 minutes? We'll deal with the other item and then come back to this, and then you can determine if you still want to see Mr. Leone. Is that fair enough?

Mr. Steve Clark: Okay, good.

The Chair (Mr. Michael Prue): The second item has to do with the release of documents from the Ministry of Culture and Sport, Parapan and Paralympic Games. I

don't know whether I've got them all in the right order, but—

Interjections.

The Chair (Mr. Michael Prue): Okay. We're open for discussion on the committee.

Ms. Dipika Damerla: As most committee members are aware and probably the Chair is aware, a lot of documentation that was asked for has been released. My understanding is that about 74,000 or 76,000 pages have been provided so far, as requested. Two sets have been provided. One is redacted; one is unredacted, the idea being so that committee members can see everything, but the redacted portion gives you an idea of what is commercially sensitive and what should or shouldn't go into public domain.

I'm just here to ask the committee, as we go forward and think about what we want to release to the public and what we don't want to, that we keep some things in mind. One is commercially sensitive information. A lot of the information that you received involves sponsorship deals, RFPs and RFQs, and it's really important that we keep this confidential, because if we don't, there is the risk that we will undermine the revenues for the games on which all of our budgeting is based. So this is very critical that we don't do anything that will reduce the revenues to the crown.

The second one is that there is some personal information. Over 100 resumés are in that documentation of people who are trying to apply for volunteer positions or positions within the secretariat, within the OPS. It's got phone numbers, emails and home addresses. I think we can all be sympathetic that these people, when they were applying for these jobs, never thought that their personal information would go into the public domain.

Lastly, and I think the most important one, is that there is some security operations information. By definition, if security operations become public, they become insecure. What we're really talking about here is the safety of the public but also the safety of our athletes: Canadian athletes as well as all of the athletes who are going to be coming here.

I cannot overstate the criticality of this piece. So as we go forward, our request is that as we contemplate what we want to release to the public and what we don't, we keep in mind these three: what's commercially sensitive and will that hurt our revenue streams for the games; the personal information of people who may have been just looking for jobs; and finally, the big issue of security. I just wanted to flag that.

The Chair (Mr. Michael Prue): Just so that all members are aware, there were 45 boxes delivered to date; 22 of the boxes were redacted and 23 boxes were unredacted. If the committee wants to do something similar to what we are contemplating doing from the finance department, to release the redacted documents and to hold the unredacted documents, that would be in order, but I'm at the call of the committee. Is there a motion? We need a motion to deal with it.

Ms. Dipika Damerla: I can bring that motion forward.

The Chair (Mr. Michael Prue): All right. Ms. Damerla?

Ms. Dipika Damerla: Chair, with your permission, I'd like to bring forward a motion that says that we bring into the public domain only documents that have been redacted.

The Chair (Mr. Michael Prue): Okay. We have a motion before us. It's a simple one. Mr. Natyshak?

Mr. Taras Natyshak: Thank you, Chair. I assume we're going to have the same ability and privilege to view the portions of the documents that are unredacted?

Ms. Dipika Damerla: Absolutely, but only part of them goes into the public domain. That's all.

Mr. Taras Natyshak: I think we've got quite an effective format here with the documents from the Ministry of Finance. Would it be pleasing to the committee for us to follow the same type of format that we have in the previous report from the subcommittee? Of course, Chair, we hope we don't see anything in the unredacted portions of the report from the Ministry of Tourism, Sport and Culture, but, of course, that's our job: to review and identify any inconsistencies, whether they be in commercially sensitive transactions—that's, in fact, what we need to do. I don't want to be constrained, of course.

The Chair (Mr. Michael Prue): The document that we have before us, that has now been put over for a few minutes, allows for the information to be released, but only upon the concurrence of the committee. So it would mean a member of the committee would have to come to the Clerk and/or me and say they wanted a meeting because they want to release the documents. That would then be debated, but what is being suggested is that the unredacted portions not be released at this time.

Mr. Taras Natyshak: I'm fine with the unredacted portions—

Ms. Dipika Damerla: It's the other way around.

Mr. Taras Natyshak: Sorry, yes. You're saying that the redacted portions—

The Chair (Mr. Michael Prue):—can be released, and the unredacted portions would remain with the committee members, and could only be released if the committee came back in full session, debated it and determined that it should be released. Other than that, it would not be.

Mr. Taras Natyshak: Okay.

The Chair (Mr. Michael Prue): That's my understanding of what has been said.

Ms. Dipika Damerla: The default is that only the redacted go to the public.

Mr. Steve Clark: If I could, I think you really need, given the complexity—we've got a pretty specific motion in the Ministry of Finance. Those five or six words that you said—I think we need to have a written motion to be debated.

The Chair (Mr. Michael Prue): I was just going to suggest that. If the committee is amenable, I would take a short recess and ask the Clerk to draft a written motion that we can all look at that encompasses those elements that Ms. Damerla talked about, and those elements that

Mr. Natyshak and others have talked about, and put it into a package. We can vote on it once we have it in writing, so that everybody is clear. Is that agreeable?

Interjection: Yes.

The Chair (Mr. Michael Prue): Okay. We're going to recess, then, for approximately 10 minutes, until the Clerk comes back. Then we'll deal with, first of all, culture, sport and the Parapan and Paralympic Games. Then we'll go back to the finance amendment.

We stand recessed for about 10 minutes.

The committee recessed from 0918 to 0935.

The Chair (Mr. Michael Prue): We will call the meeting back to order.

I've asked Ms. Damerla to read the motion. I trust it's been crafted to your satisfaction.

Ms. Dipika Damerla: Indeed, Chair. I move that:

(1) The committee accepts the information received to date that is responsive to the October 22, 2013, motion adopted in committee during the review of the 2013-14 estimates of the Ministry of Tourism, Culture and Sport.

(2) That one copy of all redacted and unredacted documents received be provided to each caucus and that the caucuses keep the unredacted documents confidential.

(3) That the Ministry of Tourism, Culture and Sport be notified in advance should the committee decide to make the unredacted documents public.

(4) That the redacted documents be made public.

The Chair (Mr. Michael Prue): We have a motion, duly moved. Any discussion on the motion? Mr. Leone.

Mr. Rob Leone: Thank you, committee members, for indulging my brief absence. I'm aware that we've had some discussion between releasing documents versus releasing information contained in documents or partial release of that information.

My concern with the word "documents" is—

The Chair (Mr. Michael Prue): We're not dealing with that. We're dealing with the new motion.

Mr. Rob Leone: Well, I could be talking about the new motion.

The Chair (Mr. Michael Prue): All right.

Mr. Rob Leone: Yes. I might have an issue with the way it's worded in the new document. So I will deal with this motion, Chair.

My question or comment or remarks I'd like to make on this relate to the fact that we would keep unredacted documents confidential and we would decide to make unredacted documents public when that occurs. My question is this: The reason why I think we used the word "information" in the previous wording is because within a document there could be unredacted information that we would like to make public but also unredacted information that we'd want to remain confidential. If we release the entire document, say there's a part of the document that has information that we feel should be subjected to the public but it contains personal banking information that we think has no relevance to the release of that document—in essence, part of that document we want to release, but part of that document we want to keep confidential and redacted—by using the word

“documents,” you’re just going to say that we’ll release all that information. So there’s a nuanced difference there using the word “document,” which means the whole piece of paper gets released rather than the one line that we think is important and necessary to release.

The problem is that when we get to the point of releasing documents and we have a discussion around the table that we can’t release this page because the person’s banking information’s on it, well, I want to have the ability to say I don’t want that released either but I do want the release of, you know, the arguments pertaining to why X person was selected for something or not. So there would be something on a piece of paper that should remain redacted; I think we can all agree to that. But by using the word “documents,” I think we limit ourselves from saying that on a piece of paper some things should remain private and confidential and some things might well be deemed to be public or should be deemed public.

That’s the question I would raise with this. I think the word “information” is far more appropriate because it provides us with the necessary leeway to release only those portions of a piece of paper that we think should be public, and that debate would happen, obviously, in the confines of this committee. So I would argue that we should use the word “information,” but I’m happy to hear what the members of the government—

Ms. Dipika Damerla: Chair, I just need a clarification.

The Chair (Mr. Michael Prue): Ms. Damerla?

Ms. Dipika Damerla: Which motion are you referring to at this point?

Mr. Rob Leone: The one that you just read, where you use the word “documents.”

0940

Ms. Dipika Damerla: I mean, this is something that can be discussed in committee when we are planning to release something. I don’t understand; if you use the word “documents” and you want to not release that banking information, you just redact that and you release the documents. I don’t see what your concern is. Quite frankly, I haven’t been able to understand.

You have a page; you blank out the banking information and you give the whole document out, so—

Mr. Rob Leone: But we would have a debate in this committee, as I understand this motion, on releasing the document, not the information.

Ms. Dipika Damerla: It’s the same—

Mr. Rob Leone: So the document would include both the information we want to release and the document that we want to remain confidential and private. By using the word “document,” you’re releasing the whole page. That’s the issue.

Ms. Dipika Damerla: And if it was “information,” would you just release a paragraph? Is that what you’re saying?

Mr. Rob Leone: Exactly.

Ms. Dipika Damerla: And if we were to just redact it, what’s the difference? Like, if I was to redact the rest of

the pages, the rest of the paragraphs and give the document, what’s the difference?

Mr. Rob Leone: You’re saying—this is the piece of paper that I want that’s unredacted, that I want to make public—the first sentence, because I think it’s important for public debate.

Ms. Dipika Damerla: I hear what you’re saying. I’m just saying—

Mr. Rob Leone: But by releasing this page under this motion, I would release the one sentence I want to be public and the rest of the page that I don’t, because you’re saying “the document.”

Ms. Dipika Damerla: But it’s redacted, so it’s all the same, right? You end up with the same end goal. You’re only releasing information that’s non-sensitive, whether you use the word “document” or “information”—

Mr. Rob Leone: So this page is unredacted.

Ms. Dipika Damerla: Right.

Mr. Rob Leone: We have a page here that is redacted. We go back to the unredacted piece of paper that says, “We’re interested to see what the redaction is,” so we go to the confidential piece of paper. We see that the first sentence is something that we think should be public, but the remaining sentences should not. Right?

Ms. Dipika Damerla: Yes.

Mr. Rob Leone: By this motion, you’re saying that this whole piece of paper, the 95% of things that we don’t want public or shouldn’t be public because of personal, confidential and so on and so forth, must be released because we’re saying “the document”—the whole page, the whole piece of paper.

Ms. Dipika Damerla: No, but what we’re saying is that it would be the redacted document. So if there are 10 lines on that page, nine of them would be struck off and one—the top line—would be given. So it’s six of one, half a dozen of another.

Mr. Rob Leone: I don’t think we’re—

The Chair (Mr. Michael Prue): Mr. Natyshak.

Mr. Taras Natyshak: Thank you very much, Chair. I appreciate my colleague Mr. Leone—I’m a little bit confused. It sounds like you want to actually have the ability to redact the unredacted, which is—I don’t know; anyways.

But I think that if we identify something that we believe as a committee needs to be for public purview and we put it out there, I believe that the full document coming from the ministry holds a little bit more legitimacy than simply our releasing a portion of a statement of that information. So we can say, “Here is what we believe you need to know, public,” and that actually I think is a portion of us doing our job. Our responsibility is to release, if we do so identify that there’s a document that needs to be released. Then it’s incumbent upon us to get that out there.

Mr. Rob Leone: Can I respond to that, Chair?

The Chair (Mr. Michael Prue): Of course.

Mr. Rob Leone: This is the problem, and I agree fully. I’m happy to use the word “documents,” but the problem is that if that document contains company X’s banking information and we release the whole document,

we're going to have a debate in this committee that says, "We should release the whole document," and we're going to have members of the government say, "You can't release this document because you can't release company X's banking information." I don't think you would want to do that, either.

Mr. Taras Natyshak: I don't. So back to the original point, Chair: Do we then retain the right as a committee to potentially redact portions of documents that aren't redacted? Is that what you're asking for?

Mr. Rob Leone: Well, I'm saying that we would want to issue information—not documents, but information—that's pertinent to the public domain. Would we be able to select that information?

Mr. Mike Colle: This doesn't make sense.

Mr. Taras Natyshak: I think the context—

Mr. Rob Leone: Look, I'm happy to go with this. I'm just suggesting that there will be a problem here if we start saying, "Well, yes, we want to release document X. It's been redacted, but we think one sentence of this should be public," and you're going to say, "We can't do the whole thing because you have so much here that's private and confidential." That's the issue. If you're going to give me assurances that we're going to be able to deal with that matter—

Mr. Mike Colle: I think that's going to be within the committee because that's the safeguard, that we said we would bring it back to the committee to make these kinds of determinations. That's my understanding of it, so I—

The Chair (Mr. Michael Prue): And I thought I was quite clear on this, that it would be within the committee's purview to look at the document and determine which portions might be released or not released. I don't want to deal in abstract ideas here. I think, if there is a document that comes forward that a member feels should be released, then that member can come back to me, as the Chair, or to the Clerk and ask for a meeting. It can be discussed around here and it can happen.

The reality is, once the documents, the unredacted portions, are in the members' hands, the members can read them and use them as intellectual property. These are things you will know. There's nothing to stop a member from standing up and saying, "I know for a fact that the minister has made a deal with" some company, because you know that. You don't need a document to prove it. It's only if the document is released that we would require some concurrence around this table.

Ms. Dipika Damerla: Chair, you summarized exactly what I was going to say, which is, the committee always has that liberty to decide what we want amongst ourselves. So I suggest that we keep the wording as recommended by Mr. Colle, as well as drafted by the Clerk, in the case of the Pan/Parapan.

The Chair (Mr. Michael Prue): I don't have a motion to change the wording at this point.

Mr. Rob Leone: I will not present that motion.

The Chair (Mr. Michael Prue): Okay, so we have a motion. Is there any other discussion?

Mr. Mike Colle: Yes. Ironically, I just would say that in the latest motion presented by the government, they used the word "information," then "documents," which I tried to change in the previous thing. But anyways.

The Chair (Mr. Michael Prue): I'm just looking for what he's saying.

Interjection.

The Chair (Mr. Michael Prue): Okay. All right. The "information" was received. Okay.

We have a motion, then, before us. Just for clarity, this is the motion that was put into the record by Ms. Damerla relating to the estimates of the Ministry of Tourism, Culture and Sport.

All those in favour of the motion? Opposed? That carries.

Okay, back to the first motion, which is relating to the Ministry of Finance. There was a friendly amendment made with nods all around to change one word, which was in the third paragraph: to remove the word "information" and substitute "documents." Is there any other discussion? Mr. Leone.

Mr. Rob Leone: Just to reiterate what I had said: I would like the ability for the committee to release any information that we feel is pertinent, whether it's an entire document or a partial document. But I think if that's the agreement of this committee, that we will have those discussions around this table, then, Chair, I will respect the committee's wishes to amend that word.

Mr. Mike Colle: Yes, and that's the understanding we have.

The Chair (Mr. Michael Prue): I think it's quite clear, and there are nods. I'll put it right on the record: This appears to be where the committee is heading. The committee just wants to have the final okay before a document or portion of a document is released, but that can be brought back by any member of the committee wanting to release any document of the 23 boxes. And there may be more information coming.

Interjection.

The Chair (Mr. Michael Prue): Yes, there is more information. That's the first 45 boxes, redacted and unredacted.

Okay. Any other discussion? Seeing none, all those in favour of the motion? Opposed? That's carried.

Are there any other—

Interjection.

The Chair (Mr. Michael Prue): I know, but is there any—it can't be related to the estimates themselves. Is there anything else? I doubt it. Okay, then the meeting is adjourned.

The committee adjourned at 0948.

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Mardi 10 décembre 2013

**Standing Committee on
Estimates**

**Comité permanent des
budgets des dépenses**



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ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 10 December 2013

Mardi 10 décembre 2013

The committee met at 0902 in room 2.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): We're going to call the meeting to order. This meeting was called at the request of the Progressive Conservatives, who sent a letter to the Clerk and to me asking for a meeting inasmuch as they wished to release certain documents from the finance department, which the committee earlier had stated could be released, provided that it was brought back before the committee. That's why we're here and I would recognize the member from the Conservatives. Mr. Clark, is it you?

Mr. Steve Clark: No. It will be Mr. Fedeli that will handle the issues. Thank you.

The Chair (Mr. Michael Prue): Mr. Fedeli.

Mr. Victor Fedeli: Good morning, Chair. Good morning, committee. Chair, what we're asking for today is a further release of documents. In the estimates committee—I will relate it back to the gas plant committee, because that's the experience I first saw this in. At the gas plant committee, when we asked for documents, we were properly cautious that we wouldn't want any of the government's documents that had commercially sensitive material to be put out there. I think that's not only common sense; it's the right thing to do. But what we found in the gas plant committee was that it was taken advantage of. It is perhaps a harsh but most accurate description. Instead of only commercially sensitive material being redacted, we found a tremendous amount of politically sensitive material that was redacted as well. It had nothing to do with the commercial nature or protecting the commercial nature of a transaction.

So we went back at the gas plant committee, and I believe it was unanimous that commercially sensitive material was redacted, but material that really, truly only had a political sensitivity was released. Indeed, all of that material was released.

I find the same today in the material we received from estimates where, for instance, Ontario Northland—there is no mention whatsoever in the redacted copies of the Ontario Northland Transportation Commission, any of their operating costs, the transition costs or their capital costs. There is nothing commercially sensitive about it. There's no commerce involved. It's a very politically sensitive issue because the government has gone down a

path to divest and now they have retracted that and changed the word to "transition." There's absolutely nothing commercially sensitive.

So we were given the redacted copies, but we were also given the unredacted copies, which I won't show, but were allowed to see what they covered, to see what was redacted, to see what was blacked out. I must tell you, Chair, there's absolutely, in my opinion, in our opinion, nothing commercially sensitive about it. It's politically sensitive, yes. We can see what they were up to. We can see the path that they were going on. We can now see why they changed.

There's not much here that's different than what we got released in the gas plant documents, where we learned there, for instance, that the \$265-million savings that was announced by divesting Ontario Northland is not accurate, that in the government's own documents—not unlike the documents we may have here—it says it will not save \$265 million, but it will actually cost \$790 million. While I can't disclose the redacted copy of what it says, I can tell you that there's nothing in this that is any different than that, which we also had unanimously released by the committee.

There is one topic—and I can use the name because it was publicly announced. In the gas plant documents, we were asked to retain four documents. I can tell you them by name, and it's important because we're going to address it here. They asked that we retain the Samsung deal, the Ford deal. They asked us to maintain confidentiality—and this is on a public document—on anything to pertain with Cisco and anything to pertain with the Ring of Fire. Those were four that were publicly discussed; those four names were publicly discussed. I would suggest to you, at first blush, that we use that same guideline here.

Then we did go back to the committee at one of the last meetings and said, "Well, hang on a second, now. The Samsung deal has been released to the public. The Ford deal has been announced to the public." We asked for those redacted documents to be opened, and it was unanimously agreed that the Ford and the Samsung be unanimously opened again.

There has been good debate, good discussion on this in the past. So when we got these documents from estimates, I kind of thought, "Here we go again." They've taken advantage of the opportunity to retain commercially sensitive information and, instead, redacted anything

that's kind of politically sensitive, maybe not very nice to the government, but already known.

Because these are redacted, I don't think I'm even allowed to say what the headings here were.

The Chair (Mr. Michael Prue): Well, if you want, we can go in camera and discuss that. I believe we have to do that—I'll check it out with the Clerk. I'm pretty sure that it can be discussed in committee, provided that we are in camera.

Mr. Victor Fedeli: Look, I'll leave the advice to the Clerk and the Chair. I don't know what instructions the Clerk is getting from some staffer. I don't really know.

0910

The Chair (Mr. Michael Prue): Okay. Yes, the Clerk has confirmed what I thought would have to be done. If you want to do that, we're going to have to go in camera.

Mr. Victor Fedeli: Yes. I'm fine to do that.

Mr. Mike Colle: Just a question: The member speaking—he's not a standing member of the committee. He's subbing in today.

The Chair (Mr. Michael Prue): He's properly subbed in.

Mr. Mike Colle: So therefore, he has seen these documents that were supposed to be privy to the committee. How is that possible?

Mr. Victor Fedeli: I'm a subbed-in member.

Mr. Mike Colle: He just got subbed in this morning. How is that possible? The agreement was that it was just supposed to be the members of the committee.

Mr. Victor Fedeli: I believe I was issued a disk by the Legislature.

The Chair (Mr. Michael Prue): No, the motion that was made actually said that each caucus would get one—what's it called—

Mr. Victor Fedeli: A disk. It was a thumb disk.

The Chair (Mr. Michael Prue): Yes, one disk. Each caucus got it, so I would think that all 107 members of the Legislature—or 106, actually; there's a vacancy—would have access to it. I'm not surprised he has access to it.

Mr. Mike Colle: Can I see a copy of the exact motion?

Mr. Victor Fedeli: I'm sorry, Chair, to see that—

The Chair (Mr. Michael Prue): Just hold onto this. This is an important point that's being raised. We want to be clear on the record before we go in camera that the matters are properly before the committee and you, as a subbed-in member.

Mr. Mike Colle: I thought it was each member of the committee. Anyways—

The Chair (Mr. Michael Prue): All right. So it is now clear, I think, from the motion that was made that each caucus got a disk, and provided that they keep them within their caucus, they're probably doing according to what the committee expected and according to the rules of the Legislature. Anything else before we go in camera?

Mr. Mike Colle: Is there a motion before us? Has he put a motion?

The Chair (Mr. Michael Prue): He has not, but he wants to discuss this document that he has in front of

him, which I do not want to be discussed in open forum because we have not yet agreed to release it. I'm caught in a hard place. I'm trying to be fair to all members of the committee, but if he wants to read it, he's going to have to read it in camera. Then, if you want to discuss it, we can move back out of camera and invite the people who are here back in to hear the discussion.

Mr. Mike Colle: Sure.

The Chair (Mr. Michael Prue): Okay. At this point, I would ask the visitors to leave.

Mr. Dickson, first.

Mr. Joe Dickson: Mr. Chair, just one question, a point of information for myself: Would Mr. Fedeli have the opportunity to see information because of his experience on previous committees or some of the items that you just referenced, I believe from finance?

The Chair (Mr. Michael Prue): I have no idea. Mr. Fedeli may be able to answer this question, but it would seem logical to me that, as his party's finance critic, he would be privy to documents from the finance ministry. I know that that would ordinarily be my responsibility as the critic for finance, except that I'm the Chair of estimates and therefore I have not looked at them. I'm trying to be unbiased. But I'm sure that somebody in the NDP who works on finance matters, one of my colleagues, would have access to it.

Mr. Victor Fedeli: Simply put, I'm here specifically as a result of the disk that all of our caucus—a few of our caucus, actually—received and studied. So this comes from no other experience other than the fact that, yes, this rang a bell with my gas plant hearings where I saw—“Wow, there's nothing about Ontario Northland here, not once.”

So I Googled it. I searched it within the document and it never came up once. Then I searched the unredacted documents, which we were also given, and it came up several hundred times. I thought, “Wow. Why would they be redacting Ontario Northland, of all things?” So I began to look at where—there's nothing commercially sensitive, in my opinion, about it. It's just politically sensitive. Quite frankly, if I can be a little more bold, it's things that would rather not be said out loud, but they have already been said. Thank you.

Mr. Joe Dickson: That doesn't answer my question. So my question is—

The Chair (Mr. Michael Prue): I just want to make sure—we're still not—

Interjection.

The Chair (Mr. Michael Prue): We're still going, yes. Okay. Even though the people have left, we're still on the record. Go ahead, Mr. Dickson.

Mr. Joe Dickson: Okay. I just need to know if Mr. Fedeli, through other committee work, had access to various information that we have not had access to prior to this morning.

Mr. Michael Prue: I don't know. Mr. Fedeli, you're under no—

Mr. Victor Fedeli: I have no idea what he's asking. I apologize. I don't understand what he's asking for, Chair.

Mr. Joe Dickson: Well, you're here to present a motion, obviously, I'm presuming. So whatever was brought to your information or brought from you to the committee's information or to your caucus's committee—I don't know if that information, because of your availability to access, has been available to us.

Mr. Victor Fedeli: Oh, I can answer that, Chair. I went to the disk that we all received from the Clerk—

Mr. Joe Dickson: But I'm talking over and above the disk.

Mr. Victor Fedeli: No. What I'm presenting today is only from the disk that we received from the Clerk, which is the file from estimates.

Mr. Joe Dickson: So there has been no access to further information other than what's on the disk?

Mr. Victor Fedeli: What I'm printing out today is no different than the material you received, a redacted copy and an unredacted copy. You can compare them on your disk, as I did. When I read the Ontario Northland unredacted copy, I think there's nothing commercially sensitive about this. Maybe a little more politically explosive, yes; maybe you wouldn't want us to have this discussed publicly, but it's not commercially sensitive. So I have no other background on that other than the same disk you have.

Mr. Joe Dickson: Through you, Mr. Chair, what you have said to me is you had no access to any other information other than what was on the disk presented to you?

Mr. Victor Fedeli: Perhaps except what's in my head. You know, I have lived in the north for 57 years and I understood—when the announcement that said Ontario Northland would save \$265 million by selling, I shook my head “no” that day and knew better. I may have read the North Bay Nugget for 50 years, where it shows that there's an unfunded pension—

Mr. Joe Dickson: Let me rephrase the question so you understand it. Through you, Mr. Chair, you have no access to any additional information, whether directly or indirectly, from anything associated with the province of Ontario?

Mr. Victor Fedeli: I have no idea what that means, sir. I apologize.

The Chair (Mr. Michael Prue): The subject here is the documents that we have. I mean, I have no way of knowing what any member knows or where they get the information. I don't know how he could answer that question.

Ms. Damerla has a question or—

Ms. Dipika Damerla: Chair, I just want to clarify something, which is—you know, I have much respect for Mr. Fedeli and his experience, but he said he didn't think it was commercially sensitive. Is that what it comes down to, whether any of us who are not necessarily experts decide whether it's commercially sensitive or not, or is there an expert opinion that's also relied on? I'm just curious.

The Chair (Mr. Michael Prue): It is in the committee's hands to make that decision. The committee can call someone from the finance department to make a state-

ment, if they deem that necessary. That can be done, but I think that's a little premature because we actually, as a committee, need to see what Mr. Fedeli wants to release. We need to see the document first and then we can go from there.

Ms. Dipika Damerla: I was just trying to understand what the rules of engagement are. I understand that we are not there yet, but before I go there, I need to understand—and I have another follow-up question.

The Chair (Mr. Michael Prue): I would think the entire committee process is open and all of the things that the committee can do can be done here.

Ms. Dipika Damerla: I have a question for the Clerk then. If inadvertently, through an error in judgment, a majority of committee members decide to release what eventually turns out to be commercially sensitive material, is there any personal liability at that point for these members because it could have a negative impact on private sector dealings or even government dealings? I'm just curious what those liabilities are.

The Clerk of the Committee (Mr. Katch Koch): I wouldn't be able to answer on the spot. We would have to look into that and research and see if there are any cases in the past with any precedence.

Ms. Dipika Damerla: But I'm sure this issue has come up in the past, no? In other committees, in other—I am genuinely interested in the answer to that.

The Chair (Mr. Michael Prue): I have been here 12 years, maybe some longer. Mr. Colle's been here longer. I'm unaware—totally unaware—of this having come up in my time here at this Legislature.

Ms. Dipika Damerla: There's always a first time. But is there a way for me to get the answer? That's what I'm saying. That's all.

The Chair (Mr. Michael Prue): Okay. Anything else? Then I'm going to move us in camera. We are now in camera.

The committee continued in closed session from 0920 to 0940.

The Chair (Mr. Michael Prue): We'll call the meeting back to order. We are now in public session. It's being recorded again.

Mr. Fedeli, you have some motions you wish to make. Mr. Fedeli, are you ready to proceed?

Mr. Victor Fedeli: Yes.

The Chair (Mr. Michael Prue): I know you have a number of motions. So we can distribute them, which motion will you be dealing with first?

Mr. Victor Fedeli: Let's take the Ontario Northland first, and we'll work our way through them.

The Chair (Mr. Michael Prue): Hold on while it is distributed, then.

If you could read your motion into the record.

Mr. Victor Fedeli: I move that the Standing Committee on Estimates make public all unredacted documents pertaining to matters of the Ontario Northland Transportation Commission, ONTC, contained in the document package responsive to parts 1, 2 and 4 of the June 11,

2013, motion adopted in committee during the review of the estimates of the Ministry of Finance.

The Chair (Mr. Michael Prue): Discussion?

Mr. Mike Colle: I'm just wondering whether we could have a recess to consult on this motion.

The Chair (Mr. Michael Prue): I was going to say the same thing. The Clerk is always, though, very, very quick and very efficient, and we must have the same mind on occasion.

I think this is a fair request. How much time are you requesting to consult on this?

Mr. Mike Colle: Twenty minutes.

The Chair (Mr. Michael Prue): Twenty minutes. All right. Then we will be back, according to my watch, because there's no clock in this room, at about two minutes after 10. We are recessed until two minutes after 10 to allow consultations to take place.

The committee recessed from 0942 to 1002.

The Chair (Mr. Michael Prue): The 20 minutes have now expired. We are back. Discussion?

Mr. Steve Clark: Just a point of clarification: Let's say the government decides they're going to filibuster this motion. Obviously, we think we should proceed with the motion today and vote on it. The procedure: Would we come back tomorrow afternoon during our regularly scheduled time to deal with this, if the government is filibustering today?

The Chair (Mr. Michael Prue): First of all, I don't know that you can accuse—nobody has said a word yet.

Mr. Steve Clark: No, if I said the word "if."

The Chair (Mr. Michael Prue): If we do not finish—because we must finish by 10:25 today. If we do not, then the committee can come back tomorrow at our regular scheduled time, which is in the afternoon as soon as routine proceedings are finished and the order of the day is called, usually around quarter to 4. We could come back tomorrow for two hours plus. But that would be the limit, unless the House leaders agreed that the committee could sit during the winter recess. That's not usual, but if they did—we would not come back again, then, until, if we didn't finish tomorrow, sometime in late February.

Okay, discussion? Ms. Damerla.

Ms. Dipika Damerla: We've had a chance to look at the motion. I'd like to begin by first saying I hope that whatever we do in this committee is based on the merits of what's discussed here and not based on parallels raised with the gas plants or any other things, because each situation is unique. While there might be some lessons to learn, I'm not sure bringing in examples from the gas plants each time to argue the merits of this particular bunch of documents is valid or fair. We hope that any arguments that are made in favour of releasing or not releasing some information is based directly on the circumstances in context of what's going on in this committee and in this ministry, and not based on what the government did there or imputing motives to what was done there, and then bringing that along here and bringing that. So that was number one.

Number two, I would like to assure MPP Clark that the government has absolutely no interest in filibustering anything. If anything, we've been a little bit disappointed with the bell-ringing that has been taking place for the last few weeks, primarily by the PC Party. So it's a little rich to be accusing us of filibustering anything, but I do believe that fulsome debate, or, in deference to the Chair, who doesn't like the word "fulsome," perhaps robust debate—

The Chair (Mr. Michael Prue): Robust, yes. I tend to be more British than American.

Ms. Dipika Damerla: But I did look into it, and I think that one can use "fulsome," but I will defer to the Chair's preferences and use the word "robust." Robust debate is required, especially because, as we were talking—I mean, there's a lot riding on our shoulders here as we decide what is commercially sensitive and what is not commercially sensitive, and it would be unfortunate to assume that political considerations are driving this and, in the bargain, end up releasing something that is commercially sensitive.

I hope that the committee will err on the side of caution and ask ourselves: Is more harm than good being done in the interest of scoring some partisan political points? I think that is very, very important to keep in mind, because as elected legislators, we have to take our duties very, very seriously, and sometimes we have to rely on experts. So my hope will be, before we do anything on this motion, that we actually check with the experts as to what they think of this motion, rather than just us deliberating here, the one, two, three, four, five—eight of us, and including you, Chair, nine. I think it's really, really important that somebody else who is an expert can weigh in on this and look at the Northland documents that the opposition would like to release at this point, to make sure we go line by line, to make sure that there isn't anything that could be—because one thing to keep in mind is that these documents have been redacted as of March. Since then, it's entirely possible that some information isn't commercially sensitive, but on the other hand, it's entirely possible, six months later, that some information that was previously not considered commercially sensitive might be commercially sensitive now with the passage of time. So it's really important that we get a chance to have experts come in to look at this information and help us decide whether the motion put forward, on balance, does more good than harm or the other way. That is really, really important.

If I can summarize, the real concern is that there's a motion in front of this committee, but it would be very, very important that a second set of eyes look at this motion in terms of the commercial sensitivity of information that could be inadvertently released because of what this motion is trying to do.

I do take MPP Fedeli's point that he's familiar with this file. That said, I think it is very, very important that we look at that—cooler heads prevail—and that we take our time to deliberate. As I said, with the passage of time, things have changed. Things that may not have been

commercially sensitive might be commercially sensitive now. That must be taken into account, as well as the flip-side: Things that may have been commercially sensitive at one point might not be so at this point. So it's really important, given the passage of time, that we have an ability to take another look at what this motion is suggesting we do.

I would like to remind everybody in this committee that we are talking about financial documents pertaining to the health of this province, and we have to be very judicious in what is released and what isn't released, because things taken out of context can have ramifications that were unintended, that none of us in this committee would have intended, but because they are being taken out of context and being released, it could lead to problems as well. That must be considered as well.

Finally, one more time, I would like to assure the committee that this side of the government is committed to transparency. We have said that, and I think we have demonstrated that. The Minister of Finance is on record saying in his remarks to committee:

"You now have more documents available to you than any previous finance minister has ever released. With that comes responsibility. In its determination of whether any documents provided under seal should be made public, I ask the committee to keep in mind ... our collective duty as members of the Legislature to safeguard Ontario's public interest. I ask that you honour that trust."

Chair, I cannot say enough about that trust, because we are so privileged to be here as legislators. There are only 107 of us in Ontario, and the province has given us its sacred trust that we will do the right thing, and it's really important that partisan politics not come in the way of doing the right things.

1010

The finance minister has gone on to say, "Companies and organizations look to invest in Ontario because we have a stable and secure government. We cannot jeopardize future investments based on the province having a reputation of being reckless with confidential documents."

So it's very, very important that we keep in mind our duty to the 13 million citizens of Ontario, keep their best interests in mind, park our partisan interests and do what's good for the province, which I believe is to deliberate, to see what exactly this motion entails—what kind of ramifications there might be because of the proposed release of documents being suggested—before we take any other step.

I'm going to turn this over to MPP Colle, if he wants to add any remarks.

The Chair (Mr. Michael Prue): No, no. You can't do that.

Ms. Dipika Damerla: Oh, sorry.

The Chair (Mr. Michael Prue): Are there further debaters? Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Chair. Your point was taken. You talked about the lessons learned. The lesson learned was about transparency.

You spoke about how the government released more documents than anyone in the past. Of course they did; they were ordered by the Speaker.

I would suggest that you have some very valuable points in that which may pertain to the other topics throughout here in my other motions. But the motion about Ontario Northland is very brief, very abridged, very specific to a government agency that has no commercial interests. Therefore, it is not commercially sensitive, and I would ask, Chair, that we call the vote on this.

The Chair (Mr. Michael Prue): Well, first of all, I think that there have only been two speakers. I want to be fair. Are there any other speakers to this issue? Seeing none, all right, then the vote is—

Ms. Dipika Damerla: No, no. There are a few of us.

The Chair (Mr. Michael Prue): Mr. Dickson, you're going to have to be faster, but go ahead.

Mr. Mike Colle: You have to put up your hand.

The Chair (Mr. Michael Prue): Go ahead, Mr. Dickson.

Mr. Joe Dickson: I'll get my left arm working.

I just have some concerns about any information being inappropriate and being, so to speak, formally approved by a committee out in the public, and we find out that information has had a detrimental effect to us down the road.

I can only relate to my own business life, and it's not an uncommon practice for a business person or a new entrepreneur to come in and say, "I need these forms. I've seen them, and it's done by so and so in this town and so and so in this town." Chances are pretty good that we have made those forms for those people. Any time that somebody comes in, we would always say, "I'm sorry. That's private information. It was bought and paid for by the clients. I'm concerned about using that form for your information. If you want to draft up something or go and find a form—because I will not give you a sample out of the docket—and produce that and then bring it in, then that's what you've brought to us and we can use it."

It's just that we went through so much legal information. Virtually in all cases, I was directed by a lawyer not to release any information that someone else had produced, even though we had done a production and we owned the rights to it.

When I think of this—just going back, Mr. Chair, and you correct me if I'm wrong—this information at large was released by the ministry, and it was either deemed private or non-private, or corporate or non-corporate. But those releases came through the bureaucracy, and I'm presuming that the bureaucracy had availability to legal expertise along the way. I see us getting into a scenario that could be legal. So my concern is that we end up voting on something without actual legal advice. I would want somebody to say to me, "That wasn't shown on the list to be released." "Someone from the opposition party says it should be released, so if you indicated originally,

Mr. Lawyer or Mr. Bureaucrat, that it should not be released, then what is your explanation?"

The Chair (Mr. Michael Prue): Mr. Dickson, you're a bit convoluted here, but what I think you're trying to say is that you want someone from the ministry, either the deputy minister or the legal staff, to come here and make a statement as to whether or not these documents can be released, or whether they're commercially sensitive or whatever. Is that what you're saying?

Mr. Joe Dickson: That's what I'm saying. But, Mr. Speaker, through you, what you had actually said is not the entire picture, because it's the same people who said "should be released or shouldn't be released." You have cleared that air for me, but I want to make sure that we have some legal expertise on it.

The Chair (Mr. Michael Prue): This committee also—the Standing Committee on Estimates' report of the subcommittee, which was agreed upon: "(3) That the Ministry of Finance be notified in advance should the committee decide to make the unredacted information public." We are in that discussion now. Are you saying you want to call the ministry to make a statement?

Mr. Joe Dickson: Absolutely.

The Chair (Mr. Michael Prue): Okay. So we've heard that he wants to do that. Any other discussion?

Mr. Mike Colle: Yes. I think that's going back to my point about the committee processes, that we put those in place for that very reason, so that when these requests—and we think there are going to be a number of them that are going to be coming forward, asking for the release of the redacted documents—that we would call upon the ministry officials who brief this committee. It was the legal representative plus the deputy minister here.

I have an amendment to the motion actually asking for that very thing to happen. Whether it's already in the standing—not the standing orders, but in the motions already passed by the committee—maybe the request for that is redundant.

The Chair (Mr. Michael Prue): No, the committee said they had to be informed. It did not say they had to be present.

This is a procedural motion. I don't think it's an amendment to this particular motion, but it is something procedurally that you can do, if you are requesting that staff, in the person of the deputy minister and/or the legal counsel to the Ministry of Finance, be present to answer questions before we do it. That would be in order, but it's not an amendment. It's procedural. It comes before the main motion.

Mr. Mike Colle: Either way, I'm just trying to figure out the appropriate way of doing it. My amendment, if I could just briefly relate it, says—

The Chair (Mr. Michael Prue): First of all, it's not going to be a motion; it's a procedure. It takes precedence over the main motion. So if you want—

Mr. Mike Colle: Yes, and that's what I want to do. I want to—

The Chair (Mr. Michael Prue): So just make the motion. It's not an amendment.

Mr. Mike Colle: Okay. A motion that the passage of this motion be contingent on the committee receiving advice from both the Ministry of Finance and the Ministry of Northern Development and Mines relating to this motion; and the committee or the Clerk should write to the Deputy Ministers of Finance and Northern Development, asking for an opinion on why and whether this information can be released and why it was redacted, basically.

That's my motion: asking them to come forward and explain to us why they redacted it, why it's commercially sensitive, and are there any problems with releasing it.

The Chair (Mr. Michael Prue): If I can ask you, you said to write to them. Could we not just call them tomorrow?

Mr. Mike Colle: Sure. Yes, either way. Just communicate with them, the Clerk.

The Chair (Mr. Michael Prue): Okay. Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much for the opportunity to speak to this, Chair. Again, I heard earlier, when they talked about no filibustering and no delaying tactics and then chewed up the last 20 minutes of this to try to block us from ever getting our hands on this information—I have to say I'm not surprised at that. They speak about openness and transparency. However, this is anything but open and transparent. It's a stall tactic.

1020

The Auditor General will come out this afternoon with her report on Ontario Northland. I would have hoped that the Liberal group here would have actually been open and transparent, and allowed these documents to be released on Ontario Northland. There's nothing new in them. I can actually fully respect and fully appreciate the discussion they're having with respect to some of the other materials that may or may not be in the redacted copies. Again, because they're redacted, we can't even read the headlines of which topics are being redacted, but there are some very important pieces that are redacted legitimately for commercially sensitive purposes. I can see that; it's plain and simple. The Cisco that's here should be redacted.

There are others that may or may not be redacted, and I do agree that it's an opportunity to have somebody from finance here to talk this committee through some of the rationale. But for the Ontario Northland? Not a chance. This is information—I have personally viewed it—that is politically sensitive, sure. Would I call some of it politically explosive? Maybe. It was more politically explosive last March, when we had it revealed through the gas plant documents, when this was not redacted. It was never even in question whether it was redacted on the gas plant. It wasn't that it was redacted and we had to go and fight to get it unredacted. It was there. There was nothing commercially sensitive about it when they didn't redact it the first time, but you have to imagine how surprised I am to see that this information is redacted in this document and that the Liberals are blocking us from getting our hands on this information in a timely fashion.

I just simply do not understand—well, I guess I do. It's a filibuster; it's a delay.

It's going to come out. Get over it. This information—99.9% of it is already out. The fact that you're trying to hide it from being disclosed today—there's nothing to gain from that. It's out there. Virtually every bit of this was in the original document that's disclosed. You're showing your hand by trying to block it today. I do not understand the logic, the rationale, about trying to block this group from having information that we already have. Chair, I just don't understand that, although I fully respect your comments about bringing a professional in on some of the other information; you may find an open mind on that. But on this one, the fact that you're hiding information that's already been disclosed in other committees, it's just blatant blockage, and I appreciate the opportunity to speak to that, Chair.

The Chair (Mr. Michael Prue): Further discussion?

Interjection.

The Chair (Mr. Michael Prue): No, no, because I do want to deal with the motion. If we're going to be calling the people, we need to notify them, and we're going to be out of here in about three minutes.

The motion that we're dealing with now is Mr. Colle's motion that we call people from the Ministry of Finance to come here tomorrow to pose questions to them prior to voting.

Mr. Victor Fedeli: Is that on the Ontario Northland one only?

The Chair (Mr. Michael Prue): It's the motion we have before us. I don't think that would preclude the committee asking them to stay after we deal with the Ontario Northland for any other motions you might have.

Mr. Victor Fedeli: Can we amend that amendment?

The Chair (Mr. Michael Prue): It's a procedural motion. It is amendable.

Mr. Victor Fedeli: I haven't seen it in writing, or if it can be repeated, I—

The Chair (Mr. Michael Prue): It is not a substantive motion; it's a procedural motion that we invite them tomorrow when we resume. That's what it is.

Mr. Victor Fedeli: What I'd like to do is amend it, if you will, to refer that, for the other aspects, the non-Ontario Northland, for the other ones. I think that's quite acceptable that we bring the finance expert in for non-Ontario Northland-related but not for the Ontario Northland one.

The Chair (Mr. Michael Prue): I'm trying to just play it fairly here. If the motion is that they make themselves available for the entire two hours and 15 minutes approximately that we have tomorrow for any and all questions—but we have to deal with your motion first.

Mr. Victor Fedeli: Yes.

The Chair (Mr. Michael Prue): So, after your motion is disposed of, then we can ask them questions on the other things if they're still here.

Mr. Victor Fedeli: What do you mean "if they're still here"?

The Chair (Mr. Michael Prue): Well, if the motion is that they be here for the entire two hours and 15 minutes—

Mr. Victor Fedeli: Do we do them first and then the Ontario Northland? Or do we do the Ontario Northland first?

The Chair (Mr. Michael Prue): You can ask questions of them, I think, related to the motion that's in front of us, and then there will be other motions. This may take a matter of scant minutes.

Mr. Victor Fedeli: No, I'm uncertain. I want to be able to dispatch the Ontario Northland issue before—

Mr. Mike Colle: He doesn't want to hear from the—

Mr. Steve Clark: Don't put words in his mouth.

Mr. Mike Colle: He's basically going against the process of the committee that's already been established.

Mr. Steve Clark: Mr. Fedeli has the floor.

Mr. Mike Colle: Exactly like I said at the beginning, you do not respect what we've agreed upon.

Mr. Victor Fedeli: Am I being interrupted? I'm not sure what the procedure is here.

Mr. Mike Colle: He's saying, "Well, let this go" for his cherry-picked motion that he has a personal interest in; meanwhile, we haven't established a process on my motion—

Mr. Victor Fedeli: I still have the floor.

The Chair (Mr. Michael Prue): Order. To be fair to all members here, we have a motion that's been moved. We have a procedural motion that we call the staff to comment—

Mr. Victor Fedeli: That I want to amend.

The Chair (Mr. Michael Prue): Yes, and Mr. Colle has requested that the staff be made available to answer other questions should time permit.

Mr. Victor Fedeli: So basically, I want to amend this procedural approach that the staff be called after the Ontario Northland issue is dispatched.

The Chair (Mr. Michael Prue): You cannot negate his motion. You can vote against his motion.

Mr. Victor Fedeli: No, I want to amend it.

The Chair (Mr. Michael Prue): Okay, but—

Ms. Dipika Damerla: You're negating it.

Mr. Victor Fedeli: No, I want to amend it.

The Chair (Mr. Michael Prue): Perhaps I'm trying to put words in your mouth but the sensible thing, in my view, as the Chair, is to bring them here tomorrow to ask questions related to your motion first, and then to ask any other questions to other motions that you may wish to bring forward after.

Mr. Victor Fedeli: But I'm afraid, Chair, with the ragging of the puck we saw today—

Mr. Mike Colle: What are you talking about? It's tomorrow.

Mr. Victor Fedeli: —that that's going to continue tomorrow. They did the same thing to us on the gas plant hearings when we were trying to bring the Auditor General in. They did 20-minute recesses until the clock ran out and we were adjourned for the whole session. We never had a chance to call the auditor in. That's exactly

the procedural stunt they pulled last time. I'm trying to usurp that this time—

The Chair (Mr. Michael Prue): Mr. Fedeli, this is a committee that has worked together well, I think.

Mr. Mike Colle: Yes, until you came along and—

The Chair (Mr. Michael Prue): Please, no, this is not—Mr. Colle, we don't need this—

Mr. Victor Fedeli: Until we received redacted documents that shouldn't be redacted.

The Chair (Mr. Michael Prue): This is a committee that has worked very well and we've come down and we have a process here that was unanimously approved. Part of that process is to contact the officials and to inform them, and we're going to bring in the officials.

I suggest we simply vote on Mr. Colle's motion. If there is time at the end of your motion being dealt with, then we are going to deal with any and all other motions you have tomorrow. I have to be fair and I'm not going to cast aspersions on any member here or what their motives might be. I'm trusting that this will all proceed fairly and above board and be finished by tomorrow—all of it.

Mrs. Amrit Mangat: Chair, I have a point of order: We only have two minutes or one minute. We have to go to question period.

The Chair (Mr. Michael Prue): I know that. That's why I'm going to take the role of the Chair. I hear what you say, Mr. Fedeli, but we're just going to deal with the procedural motion.

Mr. Victor Fedeli: But I can't make an amendment to it? He's amended my motion.

The Chair (Mr. Michael Prue): I have told you what is going to happen procedurally. If this motion passes, they're going to come, they're going to answer questions. We're going to deal with your motion that's on the floor and then I'm going to invite them to stay and you to make additional motions that you can question further.

Mr. Victor Fedeli: But his motion usurps my motion; it usurps the intent of my motion. The intent of my motion is that all unredacted documents pertaining to ONTC contained in responsive package 1, 2 and 4 are released. That's the motion that I have. He's usurping that with a motion that—

Ms. Dipika Damerla: No.

The Chair (Mr. Michael Prue): He is not usurping that. He is simply stating he wants to ask them questions about it and then we're going to vote.

Mr. Mike Colle: Yes.

Ms. Dipika Damerla: We're not usurping—

Mr. Mike Colle: As agreed upon unanimously by this committee.

Mr. Victor Fedeli: Well, Chair, they're filibustering—

The Chair (Mr. Michael Prue): If you would have trust with me and find out tomorrow how it's going to work.

Mr. Victor Fedeli: You're asking me to trust you that we will actually have a vote. We're actually going to get a vote on this and we are not going to see continued 20-minute delay, 20-minute delay.

The Chair (Mr. Michael Prue): I cannot guarantee what they're going to do. I can guarantee you, as the Chair, I'm going to do everything in my power to have a vote on this tomorrow.

Mr. Victor Fedeli: But I'm still not satisfied.

The Chair (Mr. Michael Prue): I'm putting the gavel down; we have to finish.

On Mr. Colle's motion, all those in favour of his motion that we call the staff tomorrow? All those opposed? That carries.

We are adjourned until tomorrow at 3:45, with the staff here to ask questions about the motion and then we will deal with any and all other issues that Mr. Fedeli wishes to bring forward.

The committee adjourned at 1026.

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Wednesday 11 December 2013

Journal des débats (Hansard)

Mercredi 11 décembre 2013

Standing Committee on Estimates

Ministry of Finance

Comité permanent des budgets des dépenses

Ministère des Finances



Chair: Michael Prue
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 11 December 2013

Mercredi 11 décembre 2013

The committee met at 1631 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): We'll call the meeting to order. Before we begin the meeting, there was a statement that everybody has on their desk—

Interjection.

The Chair (Mr. Michael Prue): Oh, they don't have it on their desk. I will have it distributed. The statement is from the researcher, and it answers the questions that were asked yesterday during the committee about parliamentary privilege. It basically says—I don't want to read it all, but you'll have a chance to read it yourselves—that the members are protected through parliamentary privilege for the freedom of speech, codified in section 37 of the Legislative Assembly Act; therefore, any questions that are asked and any actions that are taken are covered, and members cannot be fined or sent to jail for what takes place in the committee. So everybody understands they are free to do what they want.

MINISTRY OF FINANCE

The Chair (Mr. Michael Prue): Having said that, we have invited the deputy minister and his staff here today to answer any questions that the members may have. I am open to anyone who has questions of the deputy minister or the staff about the release of the documents. Are there any questions?

Mr. Mike Colle: I'm just wondering, are we to go in camera?

The Chair (Mr. Michael Prue): No. We have to stay open unless somebody asks about specific documents. If it is a general question about documents, like whether documents can be released that are only political in nature or whether documents must be held in trust that are of a confidential nature related to deals that have been signed, those kinds of things, no; but if you have a question about a specific document that you refer to, yes, we will have to go in camera.

Mr. Mike Colle: Okay.

The Chair (Mr. Michael Prue): So are there any questions, first of all, that do not require in camera? Mr. O'Toole.

Mr. John O'Toole: If I may, I'm subbed on the committee. I'm just wondering, is it strictly on Ontario Northland?

The Chair (Mr. Michael Prue): The first questions that we will ask pertain to the motion that we have before us on Ontario Northland. After that, we're going to have a vote on Ontario Northland. I have asked the deputy minister and his staff to stay here until 6 o'clock to answer questions on any other motions that may be made.

Mr. John O'Toole: Does it have to be a motion? Or can you just ask some questions on the auditor's report?

The Chair (Mr. Michael Prue): You can ask any question you want, but we only have one motion before us.

Mr. John O'Toole: Yes, I understand.

The Chair (Mr. Michael Prue): It's about the release of the documents related to Ontario Northland.

Mr. John O'Toole: There's damning information in there. I'd just like that on the record, in front of the deputy, as well.

The Chair (Mr. Michael Prue): Okay, are there any—Mr. Dickson.

Mr. Joe Dickson: Chair Prue, I just want to ensure that when a question is asked about a specific item that these gentlemen, or staff, are able to answer it without divulging information, because I would probably assume that a lot of it is extremely confidential—if they can give you, Mr. Chair, an answer without going into detail.

The Chair (Mr. Michael Prue): Well, I mean, I think—

Mr. Joe Dickson: Or do I leave that to—

The Chair (Mr. Michael Prue): I think that these men and women who are in this audience are probably the finest professionals we have in this country, and they will know how to answer a question without divulging information which they cannot divulge. They know when to say that.

Basically, if I can, because I'm not hearing questions from the members: The question that was being asked the other day is that the documents in question related to the Northland do not involve a private company; they involve a government agency. I'll ask the question on behalf of the committee, if I might: Is there anything that precludes the documents from Ontario Northland being released? Is there anything that cannot be divulged due to some kind of contract?

Mr. Steve Orsini: My name is Steve Orsini, Deputy Minister of Finance. I'll start off. With me is James Sinclair, director of legal services.

Thank you for the opportunity to speak to this question. We worked really hard to ensure that we, to the best of our ability, complied with the motion and produced the documents within the time frame that we could deliver them within. One of the things that we did ask—we do appreciate the opportunity to speak to it—is that before commercially sensitive information, if the committee decides, were to be released, we'd have an opportunity to speak to that, so we appreciate that opportunity.

We've established a very rigorous process to decide which ones are deemed to be commercially sensitive. We actually retained an outside law firm that is skilled in court discovery, and we asked them to look at these topics that we believed were in the midst of negotiation—I won't be specific as to a name—to enable a discussion.

We had a list of these things that were actually in some type of commercial negotiations, labour negotiations or one of the factors, because if any information, as the lawyers are looking at it, would signal in one way or the other the government's intent or position—what they thought the costs or benefits would be—it might influence in one way or the other the outcome of those discussions.

We assigned that task to an arm's-length group to assign what they believe based on the criteria that we provided, to look at the information, and then to decide if that is commercially sensitive based on the criteria. I'll ask Jim Sinclair to elaborate a bit further.

When we produce this information, if conditions were to change, we would welcome an opportunity to revisit that, but at the time that we made these submissions the view was that we're in the midst of negotiations. It could be a subpart of an organization, or it could be a broader labour negotiation. Any type of negotiations that were deemed to be commercially sensitive, the law firm redacted.

We made sure, though, in the interest of being forthcoming to the committee, to also include an unredacted version so that you, the committee, on a confidential basis, could double-check, look at it and raise questions where you feel that maybe it shouldn't be redacted. We're pleased to be here to speak to that.

Jim, I don't know if you want to elaborate a bit more. We can go to further questions.

Mr. James Sinclair: I could talk about the commercially sensitive information and the kinds of screens that were used. When we retained the outside law firm, one of the things we talked to them about was what would be the appropriate guidelines for redaction.

Commercially sensitive information was such where there might be confidential third party information that had been provided to us. The province might be subject to a confidentiality agreement, which we felt bound to honour. There might be information, as the deputy indicated, respecting negotiations, contracts, litigation, arrangements with third parties, labour negotiations—that sort of thing that might be prejudicial to the commercial position of the third party or the province with respect to

those arrangements. So those are the types of things that were screened as commercially sensitive.

1640

The Chair (Mr. Michael Prue): Further questions? Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Chair. Welcome, gentlemen.

In the entire allotment of documents that we received, in the redacted documents, I can search for "Ontario Northland" and there's not one—not even a mention of their name ever comes up. Every single time the words "Ontario Northland" are in those documents, it's redacted. In the unredacted documents, which I can search now and read, it's all over the place. I can read what's being redacted; it's all over the documents.

I'll ask you, without getting into specifics, in more of a conversation about it, a yes-no kind of thing rather than any specifics—you said that commercial sensitivity would be one of the requirements, or confidential third party information or something that's subject to a confidentiality agreement. Was there anything in the redacted Ontario Northland documents that is even remotely in that qualification, in your opinion? Without the specific one, is there anything?

Mr. James Sinclair: Without having the documents and going through all the references to Ontario Northland, maybe I could talk to you a little bit about the process. That might help you better understand why the documents are the way they are.

Mr. Victor Fedeli: But, Chair, if I may, before you do that, I do want to know: Is there anything in your opinion that meets those criteria?

Mr. James Sinclair: I think that the process might help set the stage for that answer. The process was, because it was a third party law firm and we had an enormous number of pages of documents to go through—I think by the end of August we had gone through 25 million pages. This is a very big task to go through to try to figure out which is confidential and which is not. One of the entities that was determined to have confidential information attached to it, because it's commercially sensitive, was Ontario Northland, because there were discussions about potential divestment. So the process that was used by the firm was that any time there was a reference to that entity, it was redacted. That is why you don't see any reference to ONTC in the redacted documents, because those were completely redacted.

Mr. Victor Fedeli: But I don't understand that, actually. As I look through documents, much of what has been redacted was either already released to us during the gas plant scandal hearings, where we came up with the \$790-million number—we got that; that's in here, but it's redacted. A lot of the information that the Auditor General had, in all her appendices and her data, is here; that's redacted. What would have happened between the gas plant scandal hearings, when we got—27 or 47 boxes? I can't remember which lot that was in, the Ontario Northland, when we were able to read about \$790 million, yet when I look at one particular page, there's

the \$790 million, but it's redacted. What would have happened from the time it wasn't redacted to yesterday, when we got this, and now it's redacted?

Mr. James Sinclair: You have to understand that a lot of the redaction of these documents occurred long before yesterday—

Mr. Victor Fedeli: But long after the gas plant scandal hearings documents that we got.

Mr. James Sinclair: I suppose—

Mr. Victor Fedeli: When were those, Rob? Was that in May?

Mr. Rob Leone: It was before that, even, I think.

Mr. Victor Fedeli: It was quite a long time ago—April, May.

Mr. James Sinclair: For the most part, our disclosures for that committee happened throughout May.

Mr. Victor Fedeli: So May. Now it's November. When were these asked for? September?

Mr. Rob Leone: No, June.

Mr. James Sinclair: June 11.

Mr. Victor Fedeli: So the unredacted documents that we got at the gas plant scandal hearings were May; the new estimates asked in June. Why would we go through it all over again, which we had to do in the first stage in the gas plants—why would we have to go through it all over again to have these unredacted when the Ontario Northland were never redacted in the first place at the gas plant scandal hearings?

Mr. Steve Orsini: Maybe I can speak to that because—

Mr. Victor Fedeli: Yes, please.

Mr. Steve Orsini: I think you're referring to disclosures to the justice policy committee, and under those circumstances there were no redactions at all. That was to deliver on those short-term time frames that were extremely difficult under the circumstances to meet. There were no redactions. There were, I think, communications to say that due to commercial sensitivity and an opportunity—the ministry would be prepared, with the committee's support, to redact. In fact, the committee has acknowledged that and has supplied us back a number of documents to redact, and we certainly appreciate that—not to say that the original one may or may not have been redacted. The fact is, that number had been released by the committee. We're following and the lawyers are following what information is in these documents, and given that these entities—I won't refer to any one of them—there are commercial negotiations; discussions are undergoing right now or labour relations are undergoing right now.

Mr. Victor Fedeli: Excuse me, Chair? Can you just repeat that earlier sentence? Not the labour, the commercial discussions? Can you repeat that?

Mr. Steve Orsini: Some of these—not referring to any one of them, but there are discussions going on to items that have been redacted, that there's some type of commercial transaction of some sort that would—or discussions or procurement or contemplation of a procurement that could put this in the category—and as

the lawyers have deemed, have met the criteria of commercial sensitivity.

Mr. Victor Fedeli: I don't understand that, Chair.

The Chair (Mr. Michael Prue): I just want to be clear. First of all, we are limiting ourselves to the Ontario Northland. Are you saying that this is the case in the Ontario Northland—

Mr. Steve Orsini: I'm saying that—I was making a generic comment because—

The Chair (Mr. Michael Prue): I want you to be specific because we're going to deal with the other items later. On Ontario Northland, is there anything of a commercial or sensitive nature?

Mr. Steve Orsini: Based on the criteria that the lawyers have applied, yes, and that's why it was redacted. Now, since we submitted this, we haven't taken another look at it, given other recent events, but I think this is something that at the time and to our understanding—this particular one met that criteria, as reviewed by the external law firm.

The Chair (Mr. Michael Prue): Mr. Fedeli, back to you.

Mr. Victor Fedeli: Thank you very much, Chair.

I'm still stuck on that particular example, then. In the original documents that we received, we learned that either treasury or finance or cabinet—now, I can't recall which one it was—sent a note to the Ministry of Northern Development and Mines asking them to defer the decision, waiting for more financial information to come.

They went ahead. At that time, Minister Bartolucci went ahead and made the fire sale announcement, regardless of the request to defer. Then we discovered the documents that said, "Here are now the new totals. We're wrong. You won't save \$265 million. We didn't tell you about liabilities, such as \$212 million in pension liability, \$56 million in benefit liability, \$16 million in WSIB liability, several hundred million in wage settlements." All of that was public—

Mr. Mike Colle: Point of order: Now we're getting into some very specific—

Mr. Victor Fedeli: No, no.

The Chair (Mr. Michael Prue): I don't think so.

Mr. Victor Fedeli: No, it's all public.

The Chair (Mr. Michael Prue): All of this is public information.

Mr. Victor Fedeli: All public.

Mr. Mike Colle: But I'm just wondering whether it's in the redacted—

1650

Mr. Victor Fedeli: No, it's all public.

The Chair (Mr. Michael Prue): All of this was in the auditor's statement, so I don't know how it can—I can't rule. If he's referring to the auditor's statement, it's all public.

Mr. Mike Colle: But I'm just saying, we're trying to clarify what was redacted, what wasn't redacted and what was commercially sensitive, according to the ministry.

The Chair (Mr. Michael Prue): Well, I'm going to allow him to proceed—

Mr. Mike Colle: I don't mind him proceeding. I'm just saying, I'm just trying to get this clarified, about commercial sensitivity.

The Chair (Mr. Michael Prue): If he starts referring to a specific document, then I'm going to go in camera. But if he's just talking about things that are generally known from the auditor's statement, everybody in this room knows what was in there.

Go ahead, Mr. Fedeli.

Mr. Victor Fedeli: Thank you. I appreciate it—

Mr. Kevin Daniel Flynn: Chair, on a point of order: Just so I understand this as we move forward—and I'm not trying to be difficult—how does this relate to the work of the estimates committee right now? If you could explain that to me, I'd appreciate it.

The Chair (Mr. Michael Prue): The estimates committee requested documentation from the Ministry of Finance. The estimates committee agreed, after having met in subcommittee and then again in committee, for a set of recommendations—I think there were five or six of them, which we can pass to you—and agreed that the documents would be forthcoming in two piles, one which was redacted and one which was not, and that if at any time the members of the committee wanted to release the unredacted documents, we'd have to meet again, and we would inform the ministry, who may want to make presentation, as to the propriety of releasing the unredacted documents. The discussion today is whether or not the unredacted documents ought to be released and under what conditions they should remain redacted.

Mr. Kevin Daniel Flynn: Okay. Just so I understand it further, are we talking about the line items in estimates, or are we talking about the auditor's report?

The Chair (Mr. Michael Prue): Neither. The documents—

Mr. Kevin Daniel Flynn: Well, I'm trying to listen to Mr. Fedeli, and that's what I'm getting.

The Chair (Mr. Michael Prue): The documents were requested by the estimates committee. The documents came from the Ministry of Finance. They were released to all three caucuses as per the order of the estimates committee. One of the members—in this case, it was Mr. Leone—asked that some of the documents that had been redacted be released in their unredacted form. We have one motion before us, and it relates only to Ontario Northland.

Mr. Kevin Daniel Flynn: Okay. I'll let it continue, but I'm uncomfortable with it. I just want to put that on the record.

The Chair (Mr. Michael Prue): Okay. If you want a copy of the decision of the committee—

Mr. Kevin Daniel Flynn: No, that's fine.

The Chair (Mr. Michael Prue):—it was unanimously agreed to by every member of the committee. This is the procedure.

Mr. Kevin Daniel Flynn: My understanding from the delegations is that they're bringing forward independent legal advice that protects the interests of Ontario taxpayers. That's what they've said, I think.

The Chair (Mr. Michael Prue): That is what is in the question—but the question that the committee had, that the committee reserved for itself, is the authority to release these documents. If any member of the committee wished to do so, it had to be brought back to the full committee. Mr. Leone acted within the decision that the committee made unanimously.

Mr. Fedeli.

Mr. Victor Fedeli: Thank you very much, Chair. As I was saying, in the earlier released documents, the auditor's document, everything that's the public information today—for instance, the \$790 million, yet that line is redacted in this document. This is what I can't get my head around. Every single mention of Ontario Northland, even if it's a—

Mr. Rob Leone: Casual reference.

Mr. Victor Fedeli:—casual reference—thank you, Mr. Leone—is redacted. I don't quite understand, so I'll boil it down to one simple question: Is there any reason you can give us now, knowing what you know now, today, after the auditor's report, after the documents that were released to the gas plant scandal hearing—is there any reason why we can't have all of these Ontario Northland documents today, in your opinion?

The Chair (Mr. Michael Prue): The question is—we have them all today.

Mr. Victor Fedeli: Unredacted—I apologize. Can we release them? What would hold us up? In your opinion, is there anything commercially sensitive that would stop us from releasing these today?

Mr. Steve Orsini: I'm going to ask Jim Sinclair to speak to this, but one of the things we have to keep in mind is, at least from our perspective, we're not involved in—not to speak to any particular one—any discussions.

I'll refer to another committee that asked us the very same question: Why are these particular items redacted? They asked us to revisit them. When you discuss it with the people who are engaged and responsible for that, the feedback that came back was, "These are the reasons why they're still commercially sensitive," or confidential or the like.

And I think—I'll ask Jim to drill down a little more into that—it means that we will have to double-check with those who are in a position to know that we ourselves may not—we look at the words, the context, the phraseology, and say, "That is new information that could prejudice the negotiating position of the province." So that's why it would be very difficult to us to respond on the spot without doing our due diligence and seeking the proper input.

I don't know, Jim, if you want to—

Mr. Victor Fedeli: I just have a quick question on something you said: It may impact "the negotiating position of the province." With who? I don't know what you mean. I don't understand that.

Mr. Steve Orsini: It depends on the issue. If you're into labour negotiations, it could be applicable. If you're into discussions on any type of procurement, it could be affected, related to that. It really depends on the entity,

the transaction and the timing and circumstance, and the content of the material that has been redacted.

We're not in the position to answer that on the spot, but, in the interests of responding to the committee as soon as possible, we would endeavour to follow up on that, if that was the committee's desire.

Mr. Victor Fedeli: No, I was asking if there are—

Interjections.

Mr. Victor Fedeli: I was asking if there is any reason why we can't release these today. With all the information that we now have, what would be a reason why we could not release this, right this very minute?

Mr. Steve Orsini: Because this is a Ministry of Northern Development and Mines item, we would not be in the position to offer you advice at this time. We would not be—

Mr. Victor Fedeli: Well, this is financial advice, though.

Mr. Steve Orsini: We would not be exercising our due diligence, and acting in the interests of the province, without having proper information.

We want to respond to the committee. We want to fully respect the authority of the committee to compel information and have it produced. What we can't do is, on the spot, give a legal interpretation of things that we may or may not know. I would feel very concerned if I were to put myself and our staff in that position to answer something that we're not in the position to answer, notwithstanding our interest to serve the committee to the best of our ability.

Mr. Victor Fedeli: But these aren't pages prepared by the Ministry of Northern Development and Mines. There's every ministry listed on here. It's a redacted copy here. Only the Ontario Northland ones are blacked out. All the other things are quite readable.

Mr. Steve Orsini: There are other ministries that, I believe, are redacted in that page you're referring to.

Mr. Victor Fedeli: You said that there are commercial discussions going on. Who are their commercial discussions? That was one of the quotes that you said, that one of the things that is stopping us from releasing this is commercial discussions going on. Can you just elaborate on that?

Mr. Mike Colle: I don't know where we're going. Point of order: I just don't understand—

The Chair (Mr. Michael Prue): He's nearly finished. He has 20 minutes. I'm recognizing you next. I'm going to give him some latitude. We've got about a minute left? About a minute left, and then we're over to Mr. Colle.

Mr. Victor Fedeli: Who are the commercial discussions that you're referring to, that would stop us from having these today? I don't understand that.

Mr. Steve Orsini: I'm not referring to any particular commercial discussions—

Mr. Victor Fedeli: But that is what you said. You said, "There are commercial discussions ongoing."

Mr. Steve Orsini: I referenced that those are the criteria that would deem something commercially sensitive.

Mr. Victor Fedeli: So are there negotiations going on, then? If there aren't any, then, to extend your sentence—if there are, that would deem this sensitive. If there aren't, it would make this not commercially sensitive any longer. Are there any negotiations going on? If not, then we should be able to have these.

Mr. Steve Orsini: You are asking something—a response to that question would be considered commercially responsive, and—

Mr. Victor Fedeli: Not if the answer is no. Are you saying that Ontario Northland is still for sale? Is that what I'm hearing from you?

Mr. James Sinclair: No. We're talking, I think, about—

Mr. Victor Fedeli: Is that what I'm hearing?

Mr. James Sinclair: —the redaction of the documents.

Mr. Victor Fedeli: No, no. But he said that the only reason we couldn't redact the documents is if there are—

Mr. Mike Colle: Mr. Chair, let the witness answer the question.

Mr. Victor Fedeli: I've asked him. He said there are commercial discussions.

The Chair (Mr. Michael Prue): It's your last question, so make sure it's a good one.

Mr. Victor Fedeli: Well, your comment was that the only reason we would have to continue with the commercially sensitive is if there are commercial discussions going on. I asked you if there are, and you said to answer that would be commercially sensitive. That tells me, then, that you can't tell me there are commercial transactions going on. You've just told me that there are divisions of Ontario Northland that you're still negotiating for.

1700

Mr. Steve Orsini: So I did, to be clear—

Mr. Victor Fedeli: That will be quite a shock to the north.

Mr. Steve Orsini: I want to be very clear in response to your question that there are a number of things that would deem something to be commercially confidential: commercial discussions, procurement, labour negotiations. Those are all the criteria that would deem something to be commercially sensitive, and I did indicate a number of factors that would encapsulate that term of commercially sensitive confidential information.

The Chair (Mr. Michael Prue): Mr. Colle.

Mr. Mike Colle: What I'm trying to understand from the deputy, from your presentation, is that you would like an opportunity to consult with, whether it be the Ministry of Northern Development and Mines, or with legal staff, the legal department that you consulted with before you came up with the redacted and unredacted documents—that you would like to get that time to do that. And considering the fact that a lot of these figures or numbers or information were released by the Auditor General, that have been made public, are you seeking time to just consult on that before you come back and discern a whole new group of documents that you could have no objection to be made public?

Mr. Steve Orsini: In the interests of supporting the committee in the appropriate manner, I would agree that we would want to consult with those who are privy to any conversations, whether it's labour, commercial, procurement or otherwise—that we'd want to engage them to determine whether this information is still, and continues to be, commercially confidential. So the answer would be yes, we would undertake, on behalf of the committee, and as soon as possible, to seek the necessary experts who are familiar with this to respond back.

Mr. Mike Colle: So just getting back to the process that we had put in place: I think one of the discussions we had in the subcommittee—and I think the subcommittee was in a very complex situation because we were trying to figure out exactly what the parameters of commercial sensitivity were and what the, you might say, recall for us was. I think the subcommittee was wise in asking for you to come back, if we had these questions we have right now before us. So, in essence, that's what we're doing: We're bringing you back to try to clarify for us whether or not this request to make more redacted documents public is a problem for you and the ministry. That's what I want to try to get clear here.

Mr. Steve Orsini: We're not in the position to comment on the status or state of any—or none at all—discussions that may or may not be occurring. So we would have to seek the necessary experts within the areas who are responsible for these initiatives, to seek their direction as to whether or not the material that's in these documents—and we have some of the documents before us, but not necessarily all the documents that you might be referring to, because we can't assume the documents you're referring to. We do have some copies, but it may not be all of them. We would really need to understand what the examples you're referring to are and refer to the experts in the ministry responsible to determine whether or not they're still commercially confidential.

We undertook that on another series of entities on another committee. We went through a process. It was reported back by the two ministries we consulted with that they continue to be commercially confidential, with explanations why. That's why we always do appreciate the committee asking us to come back to explain whether or not they're still commercially confidential, and we need to resort to those who are best in a position to answer that question.

Mr. Mike Colle: We've heard northern development and mines. What other ministries would you have to consult with?

Mr. Steve Orsini: It may be the Attorney General, depending on the topic. I don't know exactly. We would refer to the lead ministry. In this case, it's the Ministry of Northern Development and Mines. We would refer to that lead ministry and give them the lead responsibility to ensure that what other ministries that they would need to consult, they would take the lead for that.

Mr. Mike Colle: So you don't feel comfortable in making a decision right now until you've conferred with

the lead ministry about their feelings about the sensitivity of these documents that we're looking at to be released?

Mr. Steve Orsini: Yes, you're absolutely right. We're not in a position to do that now. If the ministry is of the view they're still commercially confidential, and the committee wants to appreciate maybe the reasons why—and I understand there's a genuine interest to understand why—then maybe on an in-camera basis, the ministry might be in the position to explain why it remains to be commercially confidential. I can't, in my position at this stage, give you that answer one way or the other.

Mr. Mike Colle: Okay. That's all the questions I have.

Mr. Kevin Daniel Flynn: I have some questions, Mr. Chair.

The Chair (Mr. Michael Prue): Okay. I'll put you down. I have Mr. Leone and then Mr. Flynn.

Mr. Rob Leone: Deputy Minister, I was listening to your commentary today, and I appreciate the fact that you're providing some clarity to the discussion. My question is this: Did you talk to anybody about these ONTC documents today? Presumably you would have known yesterday morning that we were in search of the release of the ONTC documents today. This is what we were going to come here to discuss. Did you talk to legal? Did you talk to anyone in the lead ministry, with northern development and mines, as you just mentioned on Mr. Colle's question? Did you talk to anybody about your testimony today, about coming here to talk about the release of these documents?

Mr. Steve Orsini: We had some high-level information exchange in terms of what material is in there and we did not have enough time. We found out late yesterday that we'd be appearing, so we didn't have enough time to do due diligence—whether or not this remains to be commercially sensitive and continues to be commercially confidential or not—and I think we would agree to follow up. If there's a desire, as I understand there is, to have this material unredacted, we would need to consult with them.

Mr. Rob Leone: In the process of those discussions, were any of the parameters that you mentioned with respect to commercial sensitivity, where there's a commercial transaction or labour issues that are going to emerge, a part of your discussion at all in terms of—

Mr. Steve Orsini: We did not get into any specifics. In fact, that's where we would have to refer to them on any specificity.

Mr. Rob Leone: So basically your encounter was with your legal team, I'm assuming, with respect to these documents?

Mr. Steve Orsini: I did meet with our legal team, Jim Sinclair, in terms of reviewing the methodology as to how and process and the criteria used to redact these.

Mr. Rob Leone: So did you talk to the Deputy Minister of Northern Development and Mines today?

Mr. Steve Orsini: Yes.

Mr. Rob Leone: And you had some discussions about what might be in these documents.

Mr. Steve Orsini: I did have a discussion as to the nature of the request. We were not in the position to answer the question you're asking now, as to whether or not—so we explained why they were redacted. We explained the legal process that we engaged in in the redaction. I did want to seek his support, if we were asked to review it, so we would get that support from him.

Mr. Rob Leone: When you had your outside legal team go through the documents to redact them, were there discussions between the different ministries that were affected? I know the ONTC was one aspect that was redacted. I believe aspects related to the Ring of Fire were also involved, horse racing, Samsung might have been part of those things as well.

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Do the lead ministries in these areas tell you that these portions of the documents that you're about to release should have been redacted? How do you decide, at the end of the day, what to keep and what not to keep? Is it a broader discussion in government that suggests that these are the hot-button issues in your ministries that you shouldn't touch or you shouldn't release? How does that initial conversation happen to redact ONTC documents?

Mr. James Sinclair: The conversation was never around, "These are hot-button issues that you shouldn't touch or shouldn't release." We, at the Ministry of Finance legal services branch, were the folks who provided instructions to the outside law firm. It was in connection with certain numbers of names where there were potentially commercially sensitive transactions or negotiations going on. There may have been—and this is some time ago—some very high-level conversations with certain of the legal branches, but, mostly, this was based on our own understanding of the potential for transactions or support or labour negotiations and that sort of thing. So that was the basis for the redaction, and it was a very mechanical exercise that the law firm would have been engaged in.

Mr. Rob Leone: Just to be clear then, when you initially met with the law team, it was the decision that the Ministry of Finance and your branch would have had with that legal team in terms of what to release redacted and the initial stuff. There was a conversation between your branch and the legal team in terms of what you were looking for, the parameters, the search categories, the search terms and that sort of thing.

Mr. James Sinclair: There were discussions within the ministry prior to those discussions happening as to, "What is in any of these documents?" because it was a very, very vast request. The wording of the motion was difficult for us to understand exactly what you guys were looking for, and so we engaged in the exercise of, first of all, coming to grips with what was being asked for, in terms of the nature of the documents and the nature of the requests in each of the four parts of the motion.

Then, once we had a sense of what that might look like, the question was, "Is there anything here that could be commercially sensitive?" Because you have to understand that certain of the commercially sensitive items—

and I'm not talking about Ontario Northland here. There were live conversations going on, and there are, in certain cases, confidentiality agreements that have been entered into. For us to release information that would be contrary to those agreements would be problematic. So we batched together those names, and then the mechanical process of redaction was undertaken. So that was the process.

Mr. Steve Orsini: If I could add one additional point: Commercially sensitive includes labour negotiations. There's a whole number of criteria. Procurement—there may be a procurement process going on. So it could be captured by one of those criteria.

Mr. Rob Leone: The point I'm trying to make here is that in the initial redaction phase of what the ministry had to undertake—the whole undertaking of redacting and going through these documents—there doesn't seem to me, or doesn't appear to be, any conversation with whatever you call it, the home ministry or the head ministry, with respect to what should be redacted.

Now, when we're talking about—we're having a conversation around this table about whether to release the unredacted documents, particularly relating to the ONTC. The request is being made that we actually do talk to the head ministry, northern development and mines, before we make that consultation. I'm kind of confused as to why that might be, given the fact that you've already taken the first part of the project, which is to release these documents—both a redacted copy, which is public, and an unredacted copy, which you've decided to keep confidential—I'm confused as to why you, yourself, cannot make the determination of whether anything, as my colleague Mr. Fedeli had suggested, within the unredacted copies can be released.

Mr. James Sinclair: To answer that last question, Mr. Leone, we, at finance, are in an awkward position in that regard because we're not sure what's in all of the documents. The materials that were provided to us may not be all of the materials, and the information that's captured isn't our information. It's probably true, as Mr. Fedeli and the Chair indicated, that if all of this stuff is in the public domain, there should be no reason why it remains redacted. But we just don't know. For us to commit to release something that isn't our information—the list that is in the materials that have been provided to us is a synthesis of information that has been provided to the ministry. These things are compiled as part of an annual process that the ministry goes through. But while we have the information, we're not the stewards of all of that information and don't know everything that's happening on these files. That's the awkward position that we're in. If you say to us, "Can we release it?", we'd have to check, because we're not sure. There may be no transactions; there may be transactions. But we're not privy to those conversations, so in our view it would be prudent for us to check before giving the committee the go-ahead to make the release.

Mr. Rob Leone: I just want to be clear on this. When the redactions were taking place and when you were

compiling this information, there was a position that there would be a potential sale of the ONTC, which probably would lead to one of the reasons why those documents were redacted. That position has changed somewhat. We've moved from sale to divestment to transformation, which, I would suggest, moves it out of the realm of commercial sensitivity, if that's the path that it actually has taken. So the criteria by which you might have excluded these documents may not currently apply today. Would that be correct?

Mr. Steve Orsini: That's a very valid point. There are a number of criteria. In the time we did look at this, it could have been labour negotiations that could have changed. The transformation may take it completely off the list right now. As you know, the ministry has taken a different approach. That's why we need the indulgence of the committee to go back to the ministry to ensure that all the criteria are no longer applicable under this circumstance. That's why we're asking the indulgence of the committee to give us a bit of time to go back—and maybe that is completely unredacted and open for release, but it may not be. They might be into sensitive labour negotiations.

I think that our advice would be to ensure that we do the proper due diligence and set up this process now, to build the rigour around it to ensure that we protect the provincial commercial interests, and we would ask that you give us a bit of time to follow up with the line ministries and report back to this committee as soon as possible.

Mr. Rob Leone: I have no further questions.

The Chair (Mr. Michael Prue): Mr. Fedeli on a point of order.

Mr. Victor Fedeli: It wasn't a point of order; just a point of clarification on procedure. The deputy minister is asking for some time. The fact that we are scheduled to rise tomorrow—what does that entail, then? Does that mean when we come back in February, or can you give us any other clarification on what that means?

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Mr. Rob Leone: And can we have a date in January?

Mr. Victor Fedeli: That's what I'm asking. How would that happen?

The Chair (Mr. Michael Prue): The committee is not authorized, to date—I heard only one committee was authorized, to date, to meet in that period between the time when we rise and the time that we come back, and that's the committee on—

Interjections.

The Chair (Mr. Michael Prue): The select committee. The select committee is the only one. I heard of several others and I heard noes, including the finance committee and I'm not sure what else. So at this stage, we have no authority—today, right now, as I'm speaking to you, we have no authority to meet until February 18 or soon thereafter.

Mr. Victor Fedeli: So a follow-up to that, then: When we got a disk, did it come from at a meeting, or can we

get a new disk sent to us over the course of the time period? That's what I don't understand.

The Chair (Mr. Michael Prue): I think what they've asked for is time. I mean, you could pose that question to them.

Mr. Victor Fedeli: Technically, can you mail us a disk?

The Chair (Mr. Michael Prue): It is possible to move an amendment to say those things that can be released be released before we come back in February, and the rest, we'll argue about then. If you want to make that kind of motion, you can, and I'm sure they may be amenable to it, knowing that some can be released in the interim period, and for the rest, we may have to wait. But that's up to the members of the committee.

Mr. Mike Colle: That's no problem. That's reasonable.

Mr. Victor Fedeli: Why I'm approaching that is because, quite frankly—and this will sound a little rude; it's not intended to be, but it's my rationale—the Deputy Minister of Finance did not deny that commercial activities are ongoing—

Interjection.

Mr. Victor Fedeli: No, hang on. So, with that—

Mr. Mike Colle: You're putting words in his mouth.

Mr. Victor Fedeli: No, those were his exact words.

Interjection.

Mr. Victor Fedeli: He said he wants to protect commercial interests, so in the protection of commercial interests, I understand where he's going—

Mr. Kevin Daniel Flynn: Chair, this is the longest point of clarification.

Mr. Victor Fedeli: Well, it may resolve this issue for us—

The Chair (Mr. Michael Prue): The clarification has been answered, so I'm now going to ask for further questions. Are there further questions? If not, we'll entertain motions on what to do.

Mr. Flynn.

Mr. Kevin Daniel Flynn: I have questions, Mr. Chair. Thank you.

Steve and James, thanks for coming today. You mentioned in your statements, and it could have been even restated in responses to some of the questioning that came from across the table, an experience you had with another committee that asked for what I understood to be fairly similar information. You were asked if the documents remained commercially sensitive, and you went back and you undertook the exercise that I think you're proposing to take today. You came back with what answer, at the time? What did you come back to that committee and say? Did things change?

Mr. Steve Orsini: We went back on two items. The committee did ask us to confirm or unredact two items that were previously redacted. We contacted the two ministries in question; they were two different ministries. They came back, through their legal departments, and said that they still were commercially confidential. So we wrote to the committee.

I do want to clarify, if I can, the premise that was raised early—that I did not in any way communicate one way or the other that an item is in a commercial transaction. I just want to be clear that I identified a number of criteria that are—it's important to know that one of those criteria could be applicable.

Mr. Kevin Daniel Flynn: Okay. Just so I'm clear—and perhaps, James, you can add to this—had you released the information you've been asked to release unredacted—if you had been asked to do that at the meeting you were at, with the previous experience, would the commercial interests of Ontario's taxpayers have been protected?

Mr. Steve Orsini: If asked, when appearing before them, "Could you make that determination on the spot?", I could not have. We had to go back to the lead ministry and ask them to explain, through their legal services branch to our legal services branch—because it is a legal term, whether it meets a commercial confidentiality test—whether it still met that criteria, and they reported back in the affirmative. We did write back to the committee to indicate that those particular items remain confidential, for those reasons.

Mr. Kevin Daniel Flynn: Okay, thank you. I think people are trying to get at some of the process that might be employed, and what might follow as a result of us agreeing with the advice you're giving us today that I understand is based on outside independent legal advice but is given in the interest of protecting Ontario's taxpayers from divulging any information that's commercially sensitive. What would be the process that you would undertake specifically, were we to agree with you today? What would follow? I think people are starting to get to the point as to what time it would come back and how long this might take.

Mr. Steve Orsini: To underscore, we appreciate the opportunity to be asked this question, because we want to respond to the committee to the best of our ability while still exercising the legal responsibilities that we are charged with. We'd like to go back with what documents are being asked by the committee to unredact, for which the committee might feel there's no particular reason or it's not clear as to the reason.

The second thing is that we would then share those documents with the responsible lead ministry, ask them to look at it from their legal perspective as to whether or not it meets any one of those criteria—not any one in particular, but any one of them—and then to report back through our legal services branch. I can't give you a precise time, but it would be in a week or two or a few weeks. We'd be able to do that within that time frame.

Mr. Kevin Daniel Flynn: The other day at committee we were talking about it being the holiday season and there was some disagreement as to whether that should be taken into account. We're breaking, ourselves, in a day or two, or perhaps Monday—who knows?—depending on what the House leaders can agree on in the next few days. Christmas follows into the new year, and then things sort of pick up again. You just said you could get it

in a couple of weeks; I just want to be sure that you can. Do you stand by that, given that it's the holiday season?

Mr. Steve Orsini: I'm trying to anticipate—I think you raise a very important point. I said a couple of weeks or a few weeks, meaning that it depends on the availability of the people involved. It might be one person; it might be several different people. I can't give you any assurances as to how long.

Mr. James Sinclair: It depends upon what exactly the committee is looking for. If it's limited to ONTC and we understand what those documents are, that's different than if it runs the gamut of a bunch of other things, because it just makes it more complex to go through the material.

Mr. Kevin Daniel Flynn: Okay. We're talking about our next meeting being, at the earliest, if things go the way they are going, if we follow the normal course of events, on the 18th of February. Would the information be able to be provided before the 18th of February?

Mr. Steve Orsini: I can't see any logistical reason why not.

The Chair (Mr. Michael Prue): It would be the first Tuesday, if possible, after Family Day, which is, I think, the first day back. I think it's the 18th. The 19th would be the Wednesday, so it may have to be the Wednesday. But in any event, one or the other.

Mr. Kevin Daniel Flynn: Okay. Thank you for your answers.

The Chair (Mr. Michael Prue): Mr. Natyshak.

Mr. Taras Natyshak: Thank you for your clarification, although I am still just a bit confused about the process. The decision to redact documents is sent to an outside legal agency from your office, so you contract out that legal decision. They then return their submission as to why they think—or "Here are the documents that should be redacted." Presumably they would add their opinion on why those issues are redacted or redactable, not simply through the parameters of, "Okay, we've identified this as commercially sensitive." Would they delve in a little bit deeper and, in order to skip a step, for the sake of this committee and for the sake of the time that we're all discussing now, could we simply have that opinion from that outside legal firm? That's part one of my question.

Part two of my question: When they do send you back that information as to what they've decided or what their opinion is in terms of what should be redacted, do you, at that point, ask them why? Do you question their—

Mr. James Sinclair: Let me clarify a little bit, because I think you perhaps misunderstood and I was probably not that clear. The decision on what should or shouldn't be redacted was a ministry decision. We looked at what might be in these materials and what are the potential reasons for what might be redacted. We created a list of names of entities with which various parts of the government might be involved and where our materials might reflect those names, and so the decision was made within the ministry. It wasn't something that the outside law firm provided advice on. There is no opinion.

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Their role, as I said, was a purely mechanical one: “These are the names. Here are the documents. Can you go through these documents, find the names and do the redactions?” Because they would have no real experience with any of these things, they wouldn’t have been in a position to say, “Well, we think this is commercially sensitive and this isn’t.” They wouldn’t have known. We provided them with the list, and then, because of the number of documents involved—this is technologically difficult to do. They have the technology that facilitates the redaction and the easy review of this stuff, and so—

Mr. Taras Natyshak: They are the redactors.

Mr. James Sinclair: Exactly. That’s exactly it.

Mr. Rob Leone: Can I have a point of order, Chair?

The Chair (Mr. Michael Prue): A point of order for Mr. Leone.

Mr. Kevin Daniel Flynn: I think you invented something.

Mr. Rob Leone: As much as I love the word—it’s going to be in the new Urban Dictionary, “redactor.”

Chair, I’m wondering: On your agenda, you list a number of Ministry of Finance ministry staff. I’m wondering if all of those staff members are present.

The Chair (Mr. Michael Prue): All of them but two. The bottom two, namely Susan Snelgrove and Julia Hancock, are not.

Mr. Rob Leone: And do we have a reason why they’re on the agenda but not present?

The Chair (Mr. Michael Prue): I can’t answer that question. I was just told when we arrived that they would not be coming.

Mr. Rob Leone: Because I think they would answer some of the questions, particularly because they are part of the lead ministry, northern development and mines. If we had them present, they could have given us some answers.

I was just wondering. I wanted to put it on the record, Chair.

The Chair (Mr. Michael Prue): The names were provided to the Clerk. The Clerk, in turn, informed me that the last two would not be here. That’s the only information I have. I don’t know why, nor does the Clerk.

Mr. Rob Leone: May I ask the Clerk if you received email correspondence or phone correspondence on the lack of presence by the two staff members of the Ministry of Northern Development and Mines, one a senior legal counsel and the other the corporate policy secretary?

The Clerk of the Committee (Mr. Katch Koch): I was informed at the start of the meeting that the two persons on the agenda are not present today.

Mr. Rob Leone: And there was no formal reason why?

The Clerk of the Committee (Mr. Katch Koch): No.

Mr. Rob Leone: That’s unfortunate, because I think they could have given us some information that we’re perhaps missing here.

Mr. Joe Dickson: But we don’t know, so don’t use allusions.

Mr. Rob Leone: I said “could.”

The Chair (Mr. Michael Prue): Okay. I don’t have any other speakers, so I want to interject. There is a government motion today that will probably be called at about a quarter to 6 or 10 to 6 for a vote. All members, of course, are free to leave, and at that point we would have to shut down. If you want to make a motion for what is going to happen, I would suggest that we do it sooner rather than later.

Mr. Mike Colle: I have a motion.

The Chair (Mr. Michael Prue): All right, then. Mr. Colle has got the first motion. We’ll entertain his motion. Mr. Colle?

Mr. Mike Colle: I move that the finance officials be given time to go back and consult with the appropriate ministry staff in northern development or other ministries that may give you the input required to make a judicious decision about the release of the documents, and then, as soon as that is done, that the information be released to the committee once that consultation has taken place, by electronic means or whatever means made available to the committee without the committee having to meet.

The Chair (Mr. Michael Prue): Okay. We’ve heard his motion. Perhaps I erred slightly here. We do have a motion in front of us, which is the PC motion. It is simply asking that the documents be handed over.

Mr. Victor Fedeli: Can I amend my own motions?

The Chair (Mr. Michael Prue): I’ve tied myself in a knot—

Interjection.

Mr. Victor Fedeli: So was mine. It’s written, here.

Interjection.

The Chair (Mr. Michael Prue): We don’t have it in writing.

I think there is some considerable goodwill here. Is it possible that we can just recess for about five minutes and have all parties talk about what they want to do and see if we can come up with something that will satisfy everyone, as opposed to trying to argue it back and forth?

Mr. Kevin Daniel Flynn: Good idea.

The Chair (Mr. Michael Prue): So I’m going to do that. I’m going to recess for five minutes. We’ll be back here precisely at 21 minutes to the hour to see if we can come up with something that all parties can agree to so that we can move this forward.

We are recessed for five minutes.

The committee recessed from 1735 to 1747.

The Chair (Mr. Michael Prue): We are resumed. First of all, we need Mr. Colle to read his—and then I have to make a determination whether it is in fact an amendment or not. Go forward with that.

Mr. Mike Colle: Okay.

That the passage of this motion is contingent on the Ministry of Finance officials being given time to consult with other ministries and legal counsel that are affected by the decisions to release redacted documents. Upon consulting with other ministries, proceed to release documents to the committee that have been deemed not com-

mercially or otherwise contrary to the interests of the province of Ontario.

So just basically saying, let them go and consult; once they've consulted, to release the information that they deem is no longer a problem.

The Chair (Mr. Michael Prue): I'm trying to figure out in my own mind, perhaps with the Clerk's advice, whether this is a stand-alone motion or whether it is an amendment. Usually, an amendment says it's amended by adding or removing something to the original motion. It seems to me to be a stand-alone.

I'm going to have to rule that—and the Clerk has advised me, and I agree—this is a stand-alone motion. Given that it's a stand-alone motion, I have to recognize Mr. Fedeli's motion first, which he has already amended. So I'm going to have to recognize Mr. Fedeli's motion. If Mr. Fedeli's does not pass, then we will go immediately to Mr. Colle's motion.

Mr. Fedeli, if you could move your motion into the record.

Mr. Victor Fedeli: I move that the motion be amended by striking out “made public all unredacted documents” and replacing with the following:

“Given that the Auditor General's report on ONTC has been tabled and given that much of the ONTC financial information has also been released, that the standing committee be provided a revised set of unredacted documents at the earliest possible date.”

And that gives, Chair—in my opinion, they can provide the unredacted according to their own opinions.

The Chair (Mr. Michael Prue): Okay. We have Mr. Fedeli's motion in front of us. Is there any debate on Mr. Fedeli's motion?

Mr. Kevin Daniel Flynn: This is an amended motion or it's an amendment or it's just a stand-alone motion?

The Chair (Mr. Michael Prue): It's his original motion. He has amended it in the interim.

Mr. Kevin Daniel Flynn: Okay. So it's an amendment. I just want to be clear.

The Chair (Mr. Michael Prue): It's an amendment. It's an amendment, yes, because he has left a couple of the same words in there.

Mr. Kevin Daniel Flynn: Then we will deal with Mr. Fedeli's main motion after this?

The Chair (Mr. Michael Prue): I don't think there's anything left of the main motion.

Mr. Kevin Daniel Flynn: Well, there's no motion if we don't deal with it.

Interjection.

The Chair (Mr. Michael Prue): Okay. Yes, it's the main motion. Then we're going to go to the main motion,

as amended, but there's not much to the main motion left, after he struck most of it out.

Mr. Kevin Daniel Flynn: I agree with you, Chair. I'm just trying to understand.

The Chair (Mr. Michael Prue): Okay. So we're dealing with Mr. Fedeli's amendment to his main motion. Any discussion on the amendment?

Mr. Mike Colle: We're just trying to clarify. The motion originally presented, this one here, what happens to it?

The Chair (Mr. Michael Prue): Well, most of it has been struck out and is amended.

Mr. Mike Colle: Okay. So he withdrew this—

The Chair (Mr. Michael Prue): All the things that say—striking out “made public all unredacted documents.” So it will read: “I move that the Standing Committee on Estimates, given that the Auditor General's report on the ONTC...” etc.

Mr. Kevin Daniel Flynn: And then we will deal with Mr. Colle's motion, independent of this?

The Chair (Mr. Michael Prue): Independently, should this motion not pass. If it does, then I think Mr. Colle's motion would be redundant.

Mr. Kevin Daniel Flynn: In the interests of goodwill, I'd be prepared to support this.

Mr. Mike Colle: I just want to make sure of the time frame here so they have a reasonable time.

Mr. Victor Fedeli: Earliest possible convenience.

Mr. Mike Colle: Okay. Yes.

The Chair (Mr. Michael Prue): Any further discussion on Mr. Fedeli's amendment? Seeing none, all those in favour of Mr. Fedeli's amendment? That carries.

Mr. Fedeli's main motion, as amended: Any debate? Seeing none, all those in favour of the main motion, as—okay, and that carries.

Mr. Mike Colle: And I'm withdrawing mine.

The Chair (Mr. Michael Prue): All right. Mr. Colle withdraws his, so we have resolution on the ONTC.

The bells have not rung. When I said I anticipated a vote today, I may have been mistaken. Be that as it may, even if they don't, we have a vote in nine minutes.

Is there anything else the committee wishes to deal with today? I know that there were some other—

Mr. Kevin Daniel Flynn: I would move adjournment, Mr. Chair.

The Chair (Mr. Michael Prue): That's always in order, and I have to deal with it first. It's not debatable. I have a motion of adjournment; no debate.

All those in favour of adjourning? That carries.

We are adjourned.

The committee adjourned at 1752.

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Standing Committee on Estimates

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 19 February 2014

Mercredi 19 février 2014

The committee met at 1606 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): We'll call the meeting to order. I've been informed by the Clerk that we're good to go.

We have four items in front of us today. I think the members have all of those items. Each has been distributed.

The first one is a document received from the Ministry of Tourism, Culture and Sport. To be clear, I'd better get the right one in front of me. It is dated February 14, addressed to me, is three pages long and is signed by the Honourable Michael Chan, Minister. He is stating that he has provided 28 boxes of documents: 14 redacted and 14 unredacted.

The issue is before the committee: What do you want to do with them?

The Clerk of the Committee (Mr. Katch Koch): This is the second batch. There is a previous—

The Chair (Mr. Michael Prue): Yes, this is the second batch. The first one, on November 19, totalled approximately 76,000 pages. This is the second batch. Just for the edification of the committee, the last time, the committee accepted the information and decided that one copy of all redacted and unredacted documents we received be supplied to each caucus; that the caucuses keep the unredacted documents confidential; that the Minister of Tourism, Culture and Sport be notified in advance should the committee decide to make the unredacted documents public; and that the redacted documents all be made public.

That was the decision we made back in November. What do you want to do with the next batch? Mr. Leone?

Mr. Rob Leone: Mr. Chair, I would move that we use the same rules we applied on the last batch of documents to this batch of documents.

The Chair (Mr. Michael Prue): Okay. We anticipated that someone may move that, so the Clerk has prepared such a motion. Please take a second or two to look at it. If you agree that that's what you want to do, please make that motion and then we'll discuss whether we do that this time as well. Just take a few seconds so that everybody has it in front of them as well.

All right, has everybody had a chance to read what has been provided by the Clerk in anticipation of what might

be done? Okay. Then, Mr. Leone, the floor is yours if you'd like to move a motion.

Mr. Rob Leone: Mr. Chair, I move that the Standing Committee on Estimates accepts the information received on February 14, 2014, that is responsive to the October 22, 2013, motion adopted in committee during the review of the 2013-14 estimates of the Ministry of Tourism, Culture and Sport;

That one copy of all redacted and unredacted documents received be provided to each caucus and that the caucuses keep the unredacted documents confidential;

That the Ministry of Tourism, Culture and Sport be notified in advance should the committee decide to make the unredacted documents public; and

That the redacted documents be made public.

The Chair (Mr. Michael Prue): Okay. Any questions, comments? Everybody is satisfied with that?

All right, we have a motion duly moved.

Mr. Vanthof?

Mr. John Vanthof: I'd like to call a short recess until we get a sub slip.

Mr. Mike Colle: To what? I'm sorry?

The Chair (Mr. Michael Prue): You can call a recess before the vote. I mean, any person can ask for up to 20 minutes; you are correct. I do not have a sub slip for you, and you could not vote unless we receive one. Are you asking for a recess before the vote?

Mr. John Vanthof: Five minutes, yes.

The Chair (Mr. Michael Prue): Five minutes? Okay. He is entitled to request a five-minute recess before any vote. Therefore, we will recess for five minutes. It doesn't matter what the reason is, but I understand it. Okay, I think we all do.

Mr. Mike Colle: Can he even make that motion?

The Chair (Mr. Michael Prue): Actually, no; you are right. You're technically correct: He cannot make that motion.

Mr. Rob Leone: Mr. Chair?

The Chair (Mr. Michael Prue): Yes?

Mr. Rob Leone: I'd like to make a five-minute recess.

Interjection: Request.

Mr. Rob Leone: Request a five-minute recess.

The Chair (Mr. Michael Prue): Okay, and you don't have to give your reason.

Mr. Rob Leone: No, I don't have to.

The Chair (Mr. Michael Prue): All right. Just prior to the vote, you're asking for five minutes?

Mr. Rob Leone: Yes, I am.

The Chair (Mr. Michael Prue): It is granted to Mr. Leone, and thank you for correcting me. Then it is granted. We are recessed until approximately 16 minutes after 4.

The committee recessed from 1612 to 1615.

The Chair (Mr. Michael Prue): The committee seems willing to come back a little early. Are we ready for the vote? Okay. All those in favour of Mr. Leone's motion, please signify. That is unanimous. Passed.

The next motion is on documents received from the Ministry of Finance. There are two sets, and I'm not clear from the agenda which one we're—

Interjection.

The Chair (Mr. Michael Prue): The next document, so that everybody is clear, because there are two documents from the Ministry of Finance—it is the thicker of the two that we're dealing with first. They're both dated February 14. This one is from the office of the deputy minister at the top left corner, and it starts out: "Dear Mr. Koch: Re: Response to the December 11, 2013 motion...." That's the one. Everybody knows which one of the two it is? He's coming back with this information. Do people need time to read it in its entirety? I don't know what the committee wants to do. You may just want to receive it for information. Does anybody need time to read it, or are you happy just to receive it as information?

Mr. Rob Leone: I have a question.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: Mr. Chair, I'm wondering if we could have some understanding with regard to whether we can—since the ministry does not have a copy of the employment contract between eHealth Ontario and the individual as the ministry is not a party to that contract—at this point in time, ask for the document from eHealth Ontario to be provided.

The Chair (Mr. Michael Prue): I'm afraid that because we are, in legal terms, what is called functus, we stopped acting as a committee to make these kinds of requests in November once the House was seized with our report. We are simply doing administrative things at this time. That would be, in my view, beyond the administrative capabilities of the committee at this stage.

Mr. Rob Leone: So really, I can't move anything?

The Chair (Mr. Michael Prue): You can move receipt, I think, but I don't know what else you can move. I'm trying to think in my own head what you might be able to move.

Mr. Rob Leone: I'm just unsure of the difference between what the order in council contains and what the employment contract between eHealth Ontario and the individual would contain, but that's a question I'm sure the Chair or the Clerk could ask or answer. Would it be possible for the Chair to write and seek clarification on that?

The Chair (Mr. Michael Prue): If the committee requests that I write to the minister or deputy minister and ask for clarification, if that passes, I would of course be

required to do so if you want clarification of the document. But I don't think you can request new documentation or something other than what was requested while the committee still had that authority in November.

Mr. Rob Leone: Would it be possible to move that the Chair of the Standing Committee on Estimates write to the Deputy Minister of Health to seek clarification on the difference between what is contained in an order in council and an employment contract with an arm's-length agency?

The Chair (Mr. Michael Prue): I think we can write to the deputy minister, but it would have to be the deputy minister who wrote this letter. This is the Deputy Minister of Finance.

1620

Mr. Rob Leone: I'm not clear what that means.

The Chair (Mr. Michael Prue): You said the Deputy Minister of Health. I think we cannot write to the Deputy Minister of Health asking for clarification on this letter.

Mr. Rob Leone: Did I say the Deputy Minister of Finance?

The Chair (Mr. Michael Prue): No, you said the Deputy Minister of Health.

Mr. Rob Leone: Okay.

The Chair (Mr. Michael Prue): If you want to write to the Deputy Minister of Finance, I think that is within our purview. We can do that.

Mr. Rob Leone: Okay. So can I amend that motion to say the Deputy Minister of—

The Chair (Mr. Michael Prue): The ball's in your court. What would you like to move?

Mr. Rob Leone: Just another clarification of that: We can't ask the Deputy Minister of Health this question?

The Chair (Mr. Michael Prue): I don't believe so. I don't think—

Interjection.

The Chair (Mr. Michael Prue): Yes. The letter has been written by the deputy minister of the Ministry of Finance. You can't ask someone else to clarify a letter that he has written, I don't think. You can ask him to clarify the letter perhaps after consultation—

Mr. John Vanthof: I'm confused.

Mr. Rob Leone: Are we on the same letter?

The Chair (Mr. Michael Prue): The two letters—everything we have is dated February 14.

Mr. Rob Leone: I am looking at something completely different.

The Chair (Mr. Michael Prue): Okay. This is the one that starts off:

"Dear Mr. Koch:

"Re: Response to the December 11, 2013, motion of the Standing Committee on Estimates."

Mr. Rob Leone: I see. Chair, I'm sorry. I apologize.

The Chair (Mr. Michael Prue): This is dealing with the ONTC.

Mr. Rob Leone: I apologize, Chair. We received a lot of correspondence in the intercession from this committee. I was looking at a completely different letter, one that was dated December 27, 2013. I don't believe we're on

that agenda item, but it was a question I had that also starts with “Dear Mr. Koch.”

The Chair (Mr. Michael Prue): Well, they all start with “Dear Mr. Koch.”

Mr. Rob Leone: Yes, except there’s one with “Dear Mr. Prue.”

The Chair (Mr. Michael Prue): Actually, no. The other Ministry of Health and Long-Term Care is actually addressed to me.

Mr. Rob Leone: Yes. I don’t know, Chair. Is it out of order to ask that question right now with the correspondence we received in the intersession?

The Chair (Mr. Michael Prue): We’re talking about—this is number 2, documents received from the Ministry of Finance—

Mr. Rob Leone: Okay. I’ll withdraw that motion then—

The Chair (Mr. Michael Prue): Okay. The Ministry of Finance is the thicker of the packages. It’s dealing with the ONTC. If you will remember, we brought the deputy minister back in for additional consultation and there were some questions asked about a number of things, including the Parapan Games and the ONTC.

It’s in your hands. You can ask for a recess for a few minutes, for another day, whatever, if you want to read this.

Mr. Rob Leone: Chair, in this particular letter, what it really is saying is they provided a set of unredacted documents that are no longer commercially sensitive and, therefore, they can be as public as the rest of them. The committee has already received a set of USB keys—or about to receive—

The Chair (Mr. Michael Prue): Yes. Parts 1, 2 and 4 were handed out.

Mr. Rob Leone: Right, and those are all the remaining documents on the ONTC?

The Chair (Mr. Michael Prue): This is what we received. If my memory serves me correctly, it was Mr. Fedeli who requested this information.

Mr. Rob Leone: Right.

The Chair (Mr. Michael Prue): It says it right there in the third outstanding paragraph, “Mr. Fedeli moved.” So this is responding to Mr. Fedeli’s request.

Mr. Rob Leone: Chair, we’d like to defer this to another meeting, if possible, so that we can connect with Mr. Fedeli.

The Chair (Mr. Michael Prue): Okay. A motion of adjournment or deferral on this item would be in order. I’m just trying to think. To the Clerk: It would probably have to come back next week. Yes, it would have to come back whenever the committee reconvenes. We cannot reconvene before next week, next Tuesday or Wednesday. If that’s the motion, I’ll put it to the committee if they agree to defer until then. Would that be sufficient time if it’s deferred until next week?

Mr. Rob Leone: Yes.

The Chair (Mr. Michael Prue): Okay, then we have a motion of deferral on this item, which is item 2, that it be deferred until the committee meets sometime next

week. We traditionally meet on Tuesdays and Wednesdays. Any discussion on a motion of deferral? I hear general agreement. Okay. I’ll just put the question then. All those in favour of adjourning this item until next week? Opposed? Okay.

You didn’t set a time, but I trust you’ll leave that with the Chair. We can meet either Tuesday or Wednesday. The Chair will decide.

Mr. Mike Colle: At the call of the Chair.

The Chair (Mr. Michael Prue): Okay, that’s fine. Then we’ll decide that. That item is now dealt with.

Now we go to item 3, which is the letter from the Ministry of Finance, which is the minister—wait until I find that one.

Mr. Steve Clark: Addressed to you, right, Chair?

The Chair (Mr. Michael Prue): Yes, it’s addressed to me and it’s signed by Charles Sousa, minister. This is, I think, a letter more for your information, but I leave it to the members to take a second or two or five minutes or whatever you need to read it and determine what you wish to do with this information. If it’s tying the committee’s hands, you can move a motion for me to write to the minister or you can move a motion of deferral. You can move any number of motions related to this document, but it is your choice. I am in your hands.

Mr. Rob Leone: Mr. Chair, I do want to state for the record that we passed this motion on June 11, 2013, and I’m quite concerned that this letter, dated February 14, 2014, states that the ministry has not been able to fulfill its requirements to disclose documents as per part 3 of that motion. I’m concerned that it has taken so much time to do. I appreciate that there’s probably a vast volume of information that’s available, but we are very interested in understanding the medium- and long-term fiscal outlooks for the province and we’re concerned that the government isn’t able to provide those documents in a concise format. Chair, I don’t think we would have been asking for these documents had they been presented in the previous budget in a sufficient format. Our concern is that they hadn’t been; they haven’t been presented in the previous budget and we’re concerned they actually don’t exist.

My position, Chair, is that we—certainly, I would ask that you write a letter back to the Minister of Finance or the ministry and the deputy minister, outlining our concerns. I think that given the length of time that we have waited for these documents, it gives us great concern that there are no medium- and long-term fiscal projections that the government has available, or that they do not want to make public for whatever reason.

I’m very concerned about this. I think that it’s our obligation as committee members to review the estimates of the government. If those estimates, for the medium and long term, aren’t available, then we are hamstrung as a committee to do our work. I think that is certainly a matter that needs to be brought to the minister’s attention in a very forceful way.

The Chair (Mr. Michael Prue): Okay. If I captured all of that—I don’t know if the Clerk captured all of that?

The Clerk of the Committee (Mr. Katch Koch): I'll check Hansard later.

The Chair (Mr. Michael Prue): Okay. He'll check Hansard after, he says. But it seems to me that this is a motion requesting that the Chair write to the minister and to the deputy minister, seeking clarification as to when these documents that were requested by the committee might be made available and inquiring about what is causing the delay. In a nutshell, is that—

Mr. Rob Leone: Well, I would add a question: Do they in fact exist?

1630

The Chair (Mr. Michael Prue): I think we're going to have to ask you to put your motion in writing if it's more complicated than what I expressed. Do you need some time? Do you need a short recess?

Mr. Rob Leone: Can we come back next Tuesday, or whenever the committee sits, with a motion to deal with this as well?

Mr. Mike Colle: He's asking for a deferral.

The Chair (Mr. Michael Prue): You're asking for a deferral till next week.

Mr. Rob Leone: Yes, to draft a proper motion.

The Chair (Mr. Michael Prue): Sure. There is a request for deferral.

On the deferral, Ms. Damerla?

Ms. Dipika Damerla: No, not on the deferral. I just wanted to say, Chair, that I heard you say earlier that your understanding was that the request was for a letter asking the ministry to explain the reason for the delay, but I believe this letter does explain the reason for the delay. So I just wanted to clarify that.

The Chair (Mr. Michael Prue): I was trying to paraphrase what I thought Mr. Leone was trying to say so that it could be clear on the record. But what he was trying to say included much more than what I was suggesting. So he is now stating that he wishes a deferral in order to put his proper thoughts on paper. What I was saying was only to try to help the situation, and it did not help because I did not understand everything he wanted to do. Now we have a motion that it's deferred, so that he can properly prepare a motion for the meeting sometime Tuesday or Wednesday of next week.

Any discussion on the deferral? All those in favour of the deferral of this item until next week? That appears to pass.

That leaves us with the last item on the agenda, which is the letter from the Minister of Health and Long-Term Care. It is addressed to me, and it is signed by Deb Matthews. Does everybody have that one in front of you? Okay. The committee requested copies of documentation. The Minister of Health has written back and has indicated, on the third-last paragraph found on page 2, that the search has resulted in the identification of 119,000 records containing responsive information, with an overall volume of pages expected to be in the millions. She is asking if the committee could narrow the scope. We did not ask for an electronic copy, and it is too late to do that. She is asking, do you want millions of pages of docu-

ments? I think it's a legitimate question. What does the committee want to do with this? Do you want to narrow the scope, or do you want her to continue to go through the 119,000 records containing millions of pages?

Mr. Mike Colle: Can I just speak to this?

The Chair (Mr. Michael Prue): Surely, Mr. Colle.

Mr. Mike Colle: I've tried to find out the scope of this. The problem seems to be that they're trying to differentiate some private medical information that would be included with the CCAC information, to make sure that the material that goes out does not include anything that would refer to medical services provided to individuals.

Secondly, the problem is spreadsheets. A lot of this material that we asked to be reproduced ends up having to be in massive spreadsheets that are really problematic to reproduce.

Those were the two things mentioned in my attempt to get an explanation of what the minister—plus, the actual volume is quite overwhelming to staff, just in terms of scale and scope. That's the background, as far as I understand it.

The Chair (Mr. Michael Prue): Mr. Leone?

Mr. Rob Leone: I'm going to ask the question; I presume I know the answer already. Is it possible to have a ministry official explain to this committee in any way, shape or form what the contents of these documents are, to synthesize what the contents are? Or is that going beyond what we're able to do at this point in time? Like, a technical briefing of sorts, because maybe a summary would—

The Chair (Mr. Michael Prue): Well, we had an opportunity to talk to the deputy in camera the first time.

Mr. Mike Colle: The Deputy Minister of Finance we've talked to.

The Chair (Mr. Michael Prue): This is all uncharted territory to me as the Chair. I've been around for 12 years, but this is uncharted territory for us to be doing this this late in the process, after our mandate has finished. This is just sort of to clean things up following a report to the House in November.

I would ask if the Clerk could provide any clarification to the committee whether or not we could ask for the minister or the deputy to come back and explain the 119,000 items and the million pages.

The Clerk of the Committee (Mr. Katch Koch): The committee has certainly done that with the Ministry of Finance in the fall, if you recall. We have asked the Deputy Minister of Finance to come before the committee. We did a meeting in camera to help members understand what we're dealing with.

Mr. Rob Leone: Right. And given that we have done that for finance, we're able to do that for health as well?

The Clerk of the Committee (Mr. Katch Koch): As long as you restrict yourself to the documents on CCAC.

The Chair (Mr. Michael Prue): Mr. Colle and then Ms. Damerla.

Mr. Mike Colle: I think it would be helpful to get an explanation, because it is quite complex. But then the

minister is asking for us, as a committee, to change the scale and the scope of our original motion, that letter that we sent to them. So I don't know whether we could deal with that, because it's a change in our process that we're now dealing with this after the committee has reported. It's a bit of a Catch-22 situation, so I don't know how to best deal with that procedurally.

The Chair (Mr. Michael Prue): I would think, and I will rule if I have to, that you can ask for less information, but not more.

Mr. Mike Colle: Oh, okay.

The Chair (Mr. Michael Prue): I would not allow a motion to come forward that allows for more than what was asked for, but if you want to ask for less and say that you're narrowing the scope, and the committee is agreed that the narrowing of the scope would make it more doable for the ministry as the letter sets out, that would be within our mandate.

Mr. Mike Colle: Or not even narrowing it: basically, a management of the information that helps people receiving it and people giving it. It's management of information in a way that's more—how do you call it?—reasonable to digest. I don't think there's a problem with that, to ask them to come and explain how this might be facilitated or whatever, if the committee's agreed on that.

The Chair (Mr. Michael Prue): Ms. Damerla, no one's made a motion yet. Perhaps you might.

Ms. Dipika Damerla: Chair, I just have a slightly different view. I will obviously defer to the Clerk, but I do believe that for as long as I've been subbed on to this committee—and I do want this to go on the record—my fellow MPPs have, from the very beginning, asked for defined scope: Tell us what you're really looking for. We are here today because that scope wasn't defined. So I am a little reluctant to bring back bureaucrats now because we didn't do our job properly as a committee. If we have to, we have to. But if we had properly scoped the request in the first place, and we many, many times made that plea, we wouldn't be here. I wanted that on the record.

The Chair (Mr. Michael Prue): The point has been made. Anyone have a motion on this?

Interjections.

Mr. Rob Leone: I'm not sure I can totally agree with what Ms. Damerla just said, but I will move nonetheless that we request the presence of the Deputy Minister of Health and Long-Term Care, to come to this committee

to explain the documents they have discovered and to proceed on the release of what we've discovered at that meeting.

The Chair (Mr. Michael Prue): I would ask that you be specific, because we're inviting someone to attend the meeting. We can meet either Tuesday or Wednesday of next week or at some subsequent date. Could you be specific as to the date? We're bringing a body in, so—

Mr. Rob Leone: I'm flexible on time. So let's move that next Tuesday, February 26—yes?

The Chair (Mr. Michael Prue): I'm just checking the date.

Mr. Steve Clark: February 25.

Mr. Rob Leone: I move that on Tuesday, February 25, 2014, the Standing Committee on Estimates invite the Deputy Minister of Health and Long-Term Care to explain the letter to this committee dated February 14, 2014.

Mr. Mike Colle: Agreed.

The Chair (Mr. Michael Prue): Okay. Now, what time do we meet?

Mr. Rob Leone: The afternoon.

The Chair (Mr. Michael Prue): We can meet at 9 and again in the afternoon. So you're saying 9 o'clock in the morning?

Mr. Rob Leone: Let's do the afternoon. We have other stuff in the morning. It doesn't matter.

The Chair (Mr. Michael Prue): You're requesting the afternoon?

Mr. Rob Leone: Requesting the afternoon.

The Chair (Mr. Michael Prue): Following routine proceedings. So that everybody knows, the motion is to ask the deputy to come next Tuesday, following routine proceedings, to explain the letter and where we might go with it. Any discussion on the motion?

Mr. Mike Colle: Agreed.

The Chair (Mr. Michael Prue): That sounds like a pretty easy discussion. Any other discussion?

Seeing no discussion, all those in favour of Mr. Leone's motion? Opposed? That carries.

I believe that that is all we can do today. We had four items. We dealt with one; we have deferred three. We'll see everybody back here next Tuesday, and possibly Wednesday of next week, to deal with the balance.

Meeting is adjourned.

The committee adjourned at 1642.

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**Official Report
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Tuesday 25 February 2014

**Journal
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Mardi 25 février 2014

**Standing Committee on
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Committee business

**Comité permanent des
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 25 February 2014

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 25 février 2014

The committee met at 1555 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): I'd like to call the meeting to order.

Mr. Steve Clark: Do we have quorum?

The Chair (Mr. Michael Prue): You're asking?

Mr. Steve Clark: I'm asking: Do we have quorum?

The Chair (Mr. Michael Prue): No, we don't.

Mr. Steve Clark: So I guess we have to wait for quorum.

The Chair (Mr. Michael Prue): That's fair enough. I recess until quorum arrives.

The committee recessed from 1555 to 1556.

The Chair (Mr. Michael Prue): We'll call the meeting back to order. We now have quorum. We are here. We have three items on the agenda. The first item involves the letter from the Ministry of Health and Long-Term Care. At the last meeting it was agreed that we would call certain ministry staff to answer questions, and I see that the ministry staff is here. I trust you're ready.

Ms. Helen Angus: We are indeed.

The Chair (Mr. Michael Prue): You are indeed. Is there any statement you wish to make first, or will you just go straight into questions?

Ms. Helen Angus: I've circulated a written statement. If you like, I can walk through that, since you probably haven't had time to read that. It's your choice.

The Chair (Mr. Michael Prue): If you can walk us through it—

Ms. Helen Angus: I can.

The Chair (Mr. Michael Prue):—you can read it as you go.

Ms. Helen Angus: All right. Let's do that.

The Chair (Mr. Michael Prue): Just for the record, so that we have it down for Hansard—

Ms. Helen Angus: I will introduce myself.

The Chair (Mr. Michael Prue): Please.

Ms. Helen Angus: My name is Helen Angus and I'm the Interim Deputy Minister of Health and Long-Term Care. I am joined to my right by Alison Blair, who's the director of information management strategy and policy. I just want to thank the committee for the opportunity to discuss the motion from last fall that directed the ministry to release documents and correspondence pertaining to Ontario's community care access centres.

Before proceeding, I want to assure the members of the committee that we're fully committed to helping you in your deliberations and providing you with the documents that would be of interest to you.

What I'm hoping to be able to do, both in this presentation and the discussion, is to explain some of the complications we have encountered during this process, and to seek clarification and guidance on what's required and to request your approval for a narrowing of scope.

You should know that the ministry has already done a significant amount of work to gather the information requested by the committee. I can go through that in a little bit of detail.

As a first step, we identified 139 staff members who would be custodians of the documents that were included in the request. They conducted either manual searches of their electronic and paper files, and for those who had large volumes of files, we actually used an eDiscovery tool to search their emails. The staff members also conducted a manual search of document libraries and paper files.

This has already been referenced in the minister's letter to the committee Chair, but across the ministry the search yielded approximately 120,000 records containing responsive information, with the overall volume of pages to be in the millions.

Among these are audited financial statements for community care access centres, reconciliation records, payment notices, minister's letters, briefing notes, correspondence relating to settlements and other components of funding packages, such as approval forms, quality checklists and funding schedules.

We located the quarterly risk reports submitted by LHINs that contain some CCAC-specific information, as well as briefing, speaking and event notes, and slide decks that contain information regarding different program and policy matters involving the CCACs.

We also found guidelines, contracts for policy work, results-based planning templates and general correspondence.

In addition to the matter of volume, I would say that we have two challenges in delivering on the requirements that I'm hoping we can discuss today. The first is the databases, and the second relates to information that would relate to patients and their privacy.

There are databases that contain financial and client service information about community care access centres.

They are vast repositories of data, and one alone contains about three million records for each CCAC. They're written in code that requires some training to understand the data. Together, this represents about 28,000 records. We're suggesting that printing the raw data out of these databases is probably not going to be helpful to the work of the committee.

In addition, the databases are applications, so they require extraction into large spreadsheets, and many of these would be hundreds of pages per spreadsheet and would be difficult for us to collate, never mind understand, but we are suggesting that the standardized reports that come from those databases would be part of the responsive records to the request.

The second issue is patient privacy. There are a number of records that contain confidential personal health information. For these reasons, we're seeking the committee's approval to remove the databases in the raw form and redact personal health information from the search criteria.

I would say that even with the exclusion and redaction of these records, we think the ministry will still be able to provide the committee with a significant body of information related to the motion.

The documents that will be provided to the committee—I've talked about some of them already—will include correspondence, briefing notes, routine quarterly reports in a printable format, funding schedules and other documents. In addition, we will be providing financial reports, including some of those generated from the ministry's databases as part of our regular business process. Documents also include comparative reports of CCAC expenditures, audited financial statements and breakdowns of expenses by type of expenditure, which include, for example, client services, general administration and the other elements of the financial and other reporting we receive on CCAC activity.

Those are really my remarks, and I look forward to the discussion.

The Chair (Mr. Michael Prue): Excellent. Thank you very much. Do we have questions? Mr. Leone.

Mr. Rob Leone: Sure. Thank you, Mr. Chair. I want to thank Ms. Angus for making that presentation. It did provide a whole lot more clarity to what I think is being provided, in terms of an explanation.

Just to make sure that I understand what's going on here, you've identified our motion—according to your interpretation, the motion includes the information contained in databases that have information that, for us, we wouldn't be able to decipher anyway in its raw form. The reports of those records are part of the responsive records, so we'd still have some sort of analysis given as a result of the reports, and those reports do not contain personal information. Is that correct?

Ms. Helen Angus: You would have the reports from those databases. The reports—you're correct—wouldn't have personal information. There are other files in the responsive record, whether it's emails or other correspondence, that have personal information. We just want

to be clear whether you want the personal information and to make sure that we're doing as the committee suggested.

Mr. Rob Leone: So your suggestion would be to remove the databases from the request that we've made already—

Ms. Helen Angus: Correct.

Mr. Rob Leone: —and to remove personal medical records from that as well?

Ms. Helen Angus: Correct.

Mr. Rob Leone: Mr. Chair, if that requires a motion, I'm prepared to move that motion.

The Chair (Mr. Michael Prue): First of all, I'll see if there are any other questions. Are there other questions? Mr. Colle.

Mr. Mike Colle: Just one point of clarification: You mentioned in your letter that these databases are vast repositories of data. One alone contains three million records for each CCAC that are written in code and that require public training to understand the data. These represent approximately 28,000 records. The contradiction between the three million and the 28,000—

Ms. Helen Angus: There would be probably three million lines of data, but they're actually contained in 28,000 printable documents, even if you could print them. Alison here is the expert on the databases.

Mr. Mike Colle: Okay. That's fine.

The Chair (Mr. Michael Prue): Any further questions before I go to Mr. Leone for a motion? Any other questions?

Mr. Rob Leone: Just another question, though.

The Chair (Mr. Michael Prue): Another question from Mr. Leone.

Mr. Rob Leone: Approximately how many records, if we removed all that, would we be looking at in terms of—

Ms. Helen Angus: My math is less than brilliant, but 120,000 minus about 28,000. So we're looking at: About 90,000 records would still be responsive to the motion.

Mr. Rob Leone: Okay.

The Chair (Mr. Michael Prue): Mr. Leone?

Mr. Rob Leone: I haven't really written this, so hopefully people can understand. Mr. Chair, I move, pursuant to the discussion that we've had here, that we remove the databases and the information contained therein from our document disclosure request, and that we remove all personal medical records from the document disclosure request that we have previously made—if that's in order.

The Chair (Mr. Michael Prue): You said "medical." Are you including both personal health and financial records that might be contained in there?

Mr. Rob Leone: Are there financial records in terms of personal—

The Chair (Mr. Michael Prue): No, just personal—

Ms. Helen Angus: I don't believe there are, no. It would just be the health information.

The Chair (Mr. Michael Prue): Okay. Just so we're clear, does anybody need a written copy of that motion?

If you're all prepared, then: all those in favour of Mr. Leone's motion? That's carried.

All right. That's the end of item 2. Thank you so much for attending.

Ms. Helen Angus: Thank you very much. Have a good afternoon.

The Chair (Mr. Michael Prue): Item number 2 deals with documents received from the Ministry of Finance. These are the ONTC documents. This was held for Mr. Fedeli.

Mr. Steve Clark: Yes. He's in the House, so can we just have a recess while we extract him?

The Chair (Mr. Michael Prue): We can do that, or we can go on to item number 3 and hopefully he can be here by then.

Mr. Rob Leone: We'll move to number 3, if that's possible, Chair.

The Chair (Mr. Michael Prue): Okay. Then we will hold number 2 down, and perhaps if somebody—I know there are several observers here from the Conservative Party, if they could get a message to Mr. Fedeli to get him down here at some juncture.

Then I'll go on to number 3, which is a letter from the Ministry of Finance. This is to the standing committee concerning a document request. All the members have that before you. I'm in the hands of the committee.

Mr. Rob Leone: Chair?

The Chair (Mr. Michael Prue): Mr. Leone?

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Mr. Rob Leone: Mr. Chair, I'd like to move a motion.

The Chair (Mr. Michael Prue): Just hold on. You've already provided a copy, so we'll just have that handed out as you read it into the record.

The Clerk having returned, we will accept your motion. Please read it into the record.

Mr. Rob Leone: Mr. Chair, I move that the Chair, in consultation with the Clerk, be authorized to write to the Minister of Finance, Ministry of Finance, Cabinet Office and Office of the Budget and Treasury Board to inform the minister and ministry officials that documents requested by the committee on June 11, 2013, including "any documents dated 2013 containing consideration of user fees and/or revenue-generating fees, taxes or tolls" must be delivered to the committee by March 4, 2014. If the documents are not delivered to the committee by the deadline, the committee will meet on March 5, 2014, during its regularly scheduled meeting time to ask the House to intervene in the matter.

The Chair (Mr. Michael Prue): Everyone has heard a copy and everybody has a copy. Discussion? Mr. Leone?

Mr. Rob Leone: Mr. Chair, I raised the point last week and wanted to bring the matter with a properly worded motion that consists of some of the thoughts that I had at the time. I'm very concerned that we passed a motion on June 11, 2013—some eight months have since passed and we have not received documents related to the consideration of user fees and/or revenue-generating fees, taxes or tolls that we had requested. My concern is that

these documents do exist and they're not being provided to the committee. If that is, in fact, the case, then I think we're dealing with a pretty serious matter.

In order to do our job on the estimates committee, we have to have the information available to us in order to consider the estimates, and part of doing that requires us to have a sense of where the revenue is being generated. Certainly, we're also looking at the expenses and expenditures being made by the various departments that we're studying.

We did choose, in the course of our deliberations last year, to examine the finances of the Ministry of Finance, and we wanted to delve into, in greater detail, some of the information that we felt was lacking in last year's budget. That is why we've requested the Ministry of Finance to appear before the committee. In order to do the work that we had intended, we wanted to actually see where the revenue was going to be generated and if further consideration of user fees and revenue-generating fees, taxes or tolls were and are under consideration by this government.

To this date, Mr. Chair, I believe that the Legislature, having asked for this information on June 11, 2013, should by now have had an answer to those simple questions. We know that the consideration of revenue-generating fees, taxes and tolls has been a long-standing pursuit of the government, and we wanted to know in detail exactly what those fees are, which ones were considered, how much was the estimated value of the tools that were going to be used and so on and so forth. So it's vital to have that information available to us. I hope that the committee would agree to this motion, which simply says that the Chair write a letter to the Minister of Finance to essentially give him a hard deadline on receiving the material and an explanation thereof.

That is basically the point I wanted to make, Mr. Chair. I am hopeful that the committee will endorse this motion and authorize you to write the letter.

The Chair (Mr. Michael Prue): Any other discussion? Mr. Colle.

Mr. Mike Colle: I think it's a reasonable motion, because we have asked for it, and it seems that the ministry is ready to produce them. There just might be a couple of technicalities there of a minor nature—they're saying that they may not—but it's a very small percentage, supposedly, but they do have them ready. They would have them ready by March 4, it seems.

So I just want to leave a little bit of leeway out there. If there's something that they can't produce in paper document form, they should be able to come here and explain why, or in writing, they can't produce that remaining section. But most of it, they say, is available for the 4th. If we could just make a friendly amendment and say if there is anything outstanding, that they explain why they haven't produced these by March 4.

The Chair (Mr. Michael Prue): As I take it, your friendly amendment is to the effect that you are supporting the motion. However, you are asking that Mr. Leone include that should any documents be missing on March 4, that the ministry provide an explanation?

Mr. Mike Colle: Yes. In person or in writing, either way.

The Chair (Mr. Michael Prue): Mr. Leone, do you accept that as a friendly amendment? If not, I'm going to take it as an amendment.

Mr. Rob Leone: We need to talk, so maybe you can take it as an amendment.

The Chair (Mr. Michael Prue): All right. Then I would ask Mr. Colle to formally make that as an amendment. Do you need a minute or two to do this? We can recess.

Mr. Mike Colle: Yes. I want to make sure I've got the right wording.

The Chair (Mr. Michael Prue): All right. Then we will stand in recess for five minutes in order to allow Mr. Colle to prepare his amendment in writing.

The committee recessed from 1617 to 1637.

The Chair (Mr. Michael Prue): We'll call it back to order. Mr. Colle, if you would read this into the record?

Mr. Mike Colle: Yes. I move that Mr. Leone's motion be amended by striking out "And if the documents are not delivered to the committee by the deadline, the committee will meet on March 5, 2014, during its regularly scheduled meeting time to ask the House to intervene in the matter," and replacing it with, "And that if the documents are not delivered to the committee by the deadline, the Ministry of Finance be given an opportunity to provide an explanation to the committee with respect to any outstanding documents and that the committee will meet on March 5, 2014, during its regularly scheduled meeting time to ask the House to intervene in the matter." That's basically the amendment.

The Chair (Mr. Michael Prue): Okay. We have an amendment duly moved. Is there any debate on the amendment?

Mr. Steve Clark: Yes.

The Chair (Mr. Michael Prue): You want to debate it? Mr. Clark.

Mr. Steve Clark: I just don't like the words "be given an opportunity to provide." I think they must provide an explanation to the committee.

The Chair (Mr. Michael Prue): Are you making an amendment to the amendment to delete the words "be given an opportunity to" and insert the word "must"?

Mr. Steve Clark: I am.

Mr. Mike Colle: I'm fine with that.

The Chair (Mr. Michael Prue): Okay. So this is the amendment to the amendment we're now going to deal with; that is, deleting the words "be given an opportunity" and substituting the word "must." Everybody understand that? Any other debate on that? Seeing none,

all those in favour of the amendment to the amendment? Carried.

The amendment, as amended—that's Mr. Colle's: Is there any debate on his amendment? Seeing none, all those in favour? Opposed? That's carried.

On to the main motion, as amended: Any debate on the main motion, as amended? Seeing none, all those in favour? Opposed? That's carried. That's the end of that item. Thank you very much.

On to the last item, which is number 2 on the agenda, which we skipped over to allow Mr. Fedeli to be present. Mr. Fedeli had requested at an earlier meeting that the documents relating to the ONTC be made available, and we have a letter here, dated February 14, addressed to Mr. Katch Koch from Steve Orsini. We need to deal with that. Mr. Fedeli?

Mr. Victor Fedeli: Thank you, Chair. I'm very pleased to see that the three pages of documents that I have been asking for, for quite some time, are here today. I have reviewed both the redacted copy and the unredacted copy, in which we are allowed to see what was covered. I am satisfied, Chair, that the new redacted copy that has all of the Ontario Northland and MNDM references exposed, is here. I am satisfied that every single reference on the three pages that we're looking for is indeed here. I just want to verify, then, is this a public document now, or after we—

The Clerk of the Committee (Mr. Katch Koch): If the committee receives it, we'll exhibit it.

The Chair (Mr. Michael Prue): It is not, right this very minute, public, but it will be public, within a day, I guess.

Mr. Victor Fedeli: Then I am satisfied, Chair, that all of the material on this December 11 request for these three pages to be opened up—that everything I was looking for is indeed here. There are still other Ontario Northland documents we've been pushing for at other committees, including estimates, that I'll still push for, but in this letter, with these three pages, I am satisfied.

The Chair (Mr. Michael Prue): It seems like everybody is satisfied. If Mr. Fedeli is satisfied, the rest of the world is satisfied? Okay. We don't need to do anything with that.

There are no other items for the committee, so we're adjourned—

Mr. Victor Fedeli: This is indeed now a public document?

The Chair (Mr. Michael Prue): It is indeed a public document.

Mr. Victor Fedeli: Thank you.

The Chair (Mr. Michael Prue): We stand adjourned.

The committee adjourned at 1644.

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 5 March 2014

Mercredi 5 mars 2014

The committee met at 1610 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): We are now in orders of the day, and I see that quorum is present. We have a couple of items that we have to deal with here today. We have received two letters; I'm going to do them in chronological order. The first letter is dated March 3, 2014. I believe that all members have that. It is a letter from the cabinet office to me as Chair. It's signed by Peter Wallace, and it sets out some documents and rationale for the documents. I'm in the committee's hands. You have this. What do you want to do with it?

I'm reminded by the Clerk that I should have warned that the documents of which Peter Wallace has written are confidential cabinet documents. All cabinet documents are confidential by their nature. He has offered them, with certain conditions, to the committee. What does the committee wish to do with those documents?

I am advised by the Clerk, because this is fairly new to me as well, that in the past, confidential documents coming from cabinet or other sources that are deemed confidential in and of themselves have been given to the committee, and the committee has accepted them, understanding that they are confidential in nature and not to be released. We are here, though, to see what you want to do. Is there anyone who has thought about what we're going to do with these?

Mr. Rob Leone: Chair, I realize that you are seeking some guidance on this—

The Chair (Mr. Michael Prue): No, no; I'm seeking a direction. The direction cannot come from me. It must come from the committee.

Mr. Rob Leone: Which is what I meant; I might have used the wrong word there. I'm just trying to read this; I've just seen the letter for the first time. What I am wondering about is if we could have some sense of what this actually means in practical terms. I realize that some of the cabinet files are confidential. I haven't finished reading the letter, but are other materials presented in the release of these documents confidential as well?

The Chair (Mr. Michael Prue): Perhaps the Clerk can answer this. I think he's more familiar with the workings of the Cabinet Office than I am.

The Clerk of the Committee (Mr. Katch Koch): Mr. Wallace's letter came with two USB keys. Until I get

some kind of direction from the committee on what to do with them, I have not looked at the USB keys, so I have no idea what's contained on them.

Mr. Rob Leone: Is one of those USB keys confidential documents—an unredacted version and a redacted version?

The Clerk of the Committee (Mr. Katch Koch): I believe they are.

Mr. Rob Leone: Is that the way they have been distributed in the past?

Mr. Mike Colle: Just one thing I'd like to mention: I know that we've been getting boxes of documents every day, almost. I have no more room for them. I would ask if it might be useful if there be one set given to—does each member get what I've been getting?

The Chair (Mr. Michael Prue): No, each caucus has been getting them. You have the Liberal caucus documents.

Mr. Mike Colle: Lucky me.

Mr. Steve Clark: You've got the power, Mike.

Mr. Mike Colle: Yes.

Mr. Grant Crack: Did you read them all?

Mr. Mike Colle: But I'm just wondering whether—they're on the USB. We can get them digitally too, right?

The Chair (Mr. Michael Prue): We can get them, but some of the motions in the past have not been to ask for a USB key, which you can put in your hand. The motions have been for all documents, and that's why we've been getting 15, 20 and 50 boxes at a time. This time, we have two USB keys rather than boxes of documents.

The question is, does the committee want to deal with these confidential documents in the same way we have dealt with other confidential documents from other ministries, or this same ministry, in the past, by simply accepting them, releasing immediately the redacted copies and making them public, and then holding on to the unredacted copies for the committee? Then any member would come back to committee at a future time if you feel that some of them should be released. But we would hold them confidential until the committee decided otherwise. That's what we've done, and I don't know whether that's what you want—

Mr. Mike Colle: I think that's a reasonable approach, as we've done in the past—well, on this committee, anyways, and the documents we've seen before, because, as Mr. Wallace says, "I would request that the committee not distribute the records to the public until it has consid-

ered the confidential nature of the documents. I wish to confirm that provision of these records in accordance with the committee's motion...."

I think that process where they're redacted and unredacted, or treated as we've treated them with other releases—I don't know whether I want to receive the paper documents, because if we want to access them, I guess now we can digitally access them through the USB key. I don't think our caucus—do we want the boxes? I don't think so. I have no more room for boxes.

Mr. Rob Leone: We're not dealing with boxes.

The Chair (Mr. Michael Prue): No, we're not dealing with boxes here. We asked for USB keys. USB keys have been delivered. In the past, we asked for boxes, and I think you rightly state that some committee members—I think maybe all committee members—wished we had asked for USB keys, but we did not. This time we did, and this time we have two USB keys. We don't have any boxes.

Mr. Mike Colle: Thank God.

Mr. Steve Clark: But you can store your USB keys in a box, if you want.

The Chair (Mr. Michael Prue): If you want.

Now, I would remind all members—and I just want to read something into the record which is contained on page 2 of Mr. Wallace's letter, the third full paragraph down. It states, in the last couple of sentences, "I wish to confirm that provision of these records in accordance with the committee's motion does not constitute a waiver of any confidentiality or privilege that exists outside of the committee's proceedings."

What I take that to mean is that these are cabinet documents which ordinarily cannot be released to the public. He's just reminding us that cabinet documents are exempt under the freedom-of-information documents, generally. That's one of the documents you cannot get hold of, you cannot request, and that will not be released to you. If I'm reading it right, that's what he's saying.

It doesn't mean the committee can't take them; it just means you cannot release them. And if the committee, even in its wisdom, decides to release them, it may or may not be able to do so.

Mr. Rob Leone: Chair, we've identified a process with other documents that we've received, some of which—when we were provided with two sets of documents, we've consistently suggested the redacted version is public and the unredacted version is confidential. Rather than trying to determine at this point in time whether the contents in those two USB keys are in fact of a sensitive nature, I think the best course of action this committee could take right now is to proceed with what we've done in the past with these documents. If there is consideration for some of the documents that have been marked confidential, where we have questions about why those documents are confidential, we could at a later point in time meet in committee to discuss the release of those documents, as we have in the past.

I don't know if a motion is necessary for that—

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The Chair (Mr. Michael Prue): No, I will take a motion from you that we proceed to accept the USB keys, that we accept the redacted documents which can be made public and accept the unredacted documents which will be held in confidence within the committee. Is that pretty much what you're trying to say? Would that make an adequate—I'm trying to paraphrase. That is your motion?

Mr. Rob Leone: That's the intent.

The Chair (Mr. Michael Prue): Okay. Mr. Delaney?

Mr. Bob Delaney: I'd just like to state that Mr. Leone has been summarizing the protocol that we've evolved over the past year in the Standing Committee on Justice Policy. In looking at schedule A here where it lays out some of the documents, quite frankly I think these are the same documents that justice policy has already received and dealt with quite effectively in the manner that Mr. Leone has just suggested. It makes the assumption that we are indeed all honourable members, and that has proven to be the case in the past.

The Chair (Mr. Michael Prue): You've gone on to the next letter. We're not dealing with that one yet.

Mr. Bob Delaney: No, I understand that, but just on the point I'm saying that Mr. Leone has proposed that we take the method that the Standing Committee on Justice Policy has used, apparently quite effectively for the past year. It's not at all a bad idea to not reinvent the wheel and learn from what has worked out to be an acceptable middle ground in another committee.

Mr. Mike Colle: I guess another point of information: The USB key—do we have redacted and unredacted documents?

The Chair (Mr. Michael Prue): Two keys.

Mr. Mike Colle: There are two keys?

The Chair (Mr. Michael Prue): Yes; one of each.

Mr. Mike Colle: One of each.

Interjection.

The Chair (Mr. Michael Prue): No? I'm being told no. The Clerk told me there were two keys. There's one key, the first half of which is redacted, and the second half of which is unredacted.

Interjection.

The Chair (Mr. Michael Prue): Sorry. If you can come to advise us and identify yourself.

Interjection: There is—

The Chair (Mr. Michael Prue): No, no. You have to sit down and identify yourself. Tell us who you are and what you're telling us.

Ms. Rebecca MacKenzie: Rebecca MacKenzie. I'm in the government House leader's office. I actually wanted to mention that there is an official here from Cabinet Office who would be happy to speak about what exactly is contained—

The Chair (Mr. Michael Prue): Please, that would be—thank you very much. Who is the official from Cabinet Office?

Ms. Rebecca MacKenzie: William Bromm.

The Chair (Mr. Michael Prue): Please, William, come forward. Identify yourself for the purpose of the record and answer some of the queries the committee might have. We were given one understanding: that there were two keys, one redacted and one unredacted.

Mr. William Bromm: Right.

The Chair (Mr. Michael Prue): If that is not correct, please disabuse us of our notion.

Mr. William Bromm: First of all, I apologize. I look a little informal and I'm a little out of breath. I was watching you on TV and then I ran over because I thought I might be able to help.

There's really only one USB key, but we provided two copies, just so the Clerk would have an extra copy.

The Chair (Mr. Michael Prue): Okay.

Mr. William Bromm: And there's only one document and no redactions.

The Chair (Mr. Michael Prue): I should say that the Clerk, in his wisdom, and rightly so, did not look at it. He is in the hands of the committee, as I am as Chair.

Mr. Mike Colle: There were two keys—

The Chair (Mr. Michael Prue): There are two keys. He surmised, I think, that there was one of each, but in fact there are two identical copies that contain both redacted and unredacted copies.

Mr. William Bromm: No. The entire document is unredacted because the entire document is a cabinet presentation. The whole thing is cloaked in cabinet privilege, and that's why we sealed it. It would have been odd to redact the entire document and then give you an unredacted copy.

The Chair (Mr. Michael Prue): Okay. I thank you, because that clarifies it a great deal. So this is an—

Mr. Rob Leone: Can we ask questions?

The Chair (Mr. Michael Prue): Yes, okay. I just want everybody to be clear. This is an unredacted copy. We have two sets of it, but, as is written in the letter, there is a request that it not be released because it is not subject to a freedom-of-information request—

Mr. William Bromm: Yes.

The Chair (Mr. Michael Prue): —as all cabinet documents are not.

Mr. Leone, now that we've had that clarified, your questions?

Ms. Rebecca MacKenzie: Sorry, Mr. Chair. Are you okay if I take my seat, back—

The Chair (Mr. Michael Prue): Yes.

Interjection: Stay there.

Mr. Rob Leone: We are going to grill Rebecca MacKenzie on that.

Mr. William Bromm: I'd clarify as well: There's a paper copy that we provided with the secretary's letter, and it's the same record. So there's one paper copy and then two USB keys with that document on each key.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: Sir, I appreciate you running down here to—

Mr. William Bromm: I've caught my breath now, so—

Mr. Rob Leone: —shed some light for us on this particular issue because I know that the disclosure of documents and confidentiality are very important aspects of what we're doing here.

When you say that there's one document, how big is that document? One presentation is—

Mr. William Bromm: There is an eight-page briefing note that was written by Cabinet Office officials and attached to that is a slide deck of approximately 22 pages. I'm sorry, I forget the exact number, but it's not a massive document. Overall, it's probably about 30 pages, single-sided.

Mr. Rob Leone: Has this document been previously released in the deliberations that we've had in justice policy?

Mr. William Bromm: No. This document deals solely with one issue. There's no reference to the gas plant in that document.

Mr. Rob Leone: So we're not going to effectively seal what was previously unsealed, is my question.

Mr. William Bromm: Right. My understanding is that document has not been disclosed to either the justice committee or the estimates committee through other motions. This will be the first time that it's come to a committee.

Mr. Rob Leone: All right. And are you able to tell us the theme or the topic of the slide deck?

Mr. William Bromm: Yes. It has to do with transit.

Mr. Rob Leone: Transit.

Mr. William Bromm: But I can't go into too much detail because the document's sealed, but it's a transit deck from the Ministry of Transportation, and because of the nature of the motion, I can reveal that it deals with the committee's question around the consideration of fees, taxes and tolls.

The Chair (Mr. Michael Prue): I would just caution, Mr. Leone, not to go too far into what is contained—

Mr. Rob Leone: I understand.

The Chair (Mr. Michael Prue): —because this is being transcribed. We are not in closed session—

Mr. Rob Leone: I see what you're saying.

The Chair (Mr. Michael Prue): —so I don't want you to go too far into this. If you want to see the document, you will see the document, but I don't want a great description as part of the Hansard.

Mr. Rob Leone: I appreciate that.

The Chair (Mr. Michael Prue): Mr. Clark?

Mr. Steve Clark: Chair, I'm not on the justice policy committee that's dealing with the gas plants, but I seem to recall that there were cabinet documents that were released as part of that process, were there not? I'm just trying to think of precedent. Why would documents be released in one committee and not another?

The Chair (Mr. Michael Prue): The documents are being released at this committee. The only question is whether they will be made public. That's the only question.

Mr. Steve Clark: But were there not cabinet documents made public in justice committee?

The Chair (Mr. Michael Prue): Perhaps Mr. Delaney, who was part of the justice committee, could apprise us.

Mr. Bob Delaney: The documents that were released from just about every corner in the government in which people asked for them were those that were responsive to the motions.

The discussion in the justice committee was very similar to the one that we're having now, which is that if there are portions of a document that are unresponsive, the committee members at their option are welcome to see that portion, to show that it's unresponsive. For example, if the member was in a ministry and sent a portion of a document germane to a request and then along the way said, "Oh, by the way, I'm free to attend such and such going-away party a week from next Monday"—that other part which is non-responsive might be redacted and you could see the redacted one, but you could also see that it's clearly irrelevant to what you're discussing. The others are portions of a document that are unresponsive to the motion but deal with commercially sensitive information or contractual negotiations that are under way.

We've dealt with that, and the members of the opposition have been free to look at the material which has been in folders of the USB sticks. The agreement has been that if it's commercially sensitive information, you're quite free to look at it, but it's considered to be out of bounds of the committee as it's not responsive to a document request motion. Am I accurate on that one, Bill?

Mr. William Bromm: Yes, basically. When I was responding to Mr. Leone's question, I understood he was wondering whether this particular document that we disclosed in the secretary's letter to the Chair had been released to the justice policy committee, and it had not. This is the first time it's being released from Cabinet Office. Other cabinet records have gone to the justice policy committee and to the estimates committee. This record just isn't part of any of those records.

Mr. Rob Leone: Chair, can I just perhaps move a motion?

1630

The Chair (Mr. Michael Prue): First of all, I'll just ask—before I hear a motion—any other questions of the deputant? Anything else? Okay.

Motion, Mr. Leone.

Mr. Rob Leone: Chair, I would move that we accept the USB key; that one USB key be distributed to each caucus; that the documents contained therein remain confidential; and that we schedule a meeting, if necessary, on March 18 at 3:45 should we have any further questions on the documents that we receive.

The Chair (Mr. Michael Prue): Two weeks from today, which is, I think, the first time we could meet.

Interjection.

The Chair (Mr. Michael Prue): No, we can meet on Tuesdays.

Ms. Lisa M. Thompson: It's a Tuesday.

Mr. Rob Leone: Yes, March 18 at 3:45.

The Chair (Mr. Michael Prue): It's a Tuesday? All right. I just wanted to make sure the date was right.

So we have a motion. Anybody need it written down?

Mr. Mike Colle: Actually, I just have a question—

The Chair (Mr. Michael Prue): No, no. Anybody need it written down first? No one needs it written down? Discussion. Mr. Delaney.

Mr. Bob Delaney: First thing, if we're going to vote on a motion, it would be prudent to write it down. Thank you. Secondly, this is again not unlike what we have been doing in justice policy. At one point, where we weren't sure about whether things were either in bounds or out of bounds, Mr. Fedeli, Mr. Tabuns and I agreed that we would take a random sample of about a hundred documents and we would go through with a highlighter and highlight—in other words, visibly highlight—those portions that we thought were not responsive. We compared notes of what we highlighted and we found out that we had all literally highlighted exactly the same things. So there was very quick and reasonable concurrence on what the committee as a whole felt wasn't relevant to its business. From that point, we were able to provide guidance to the ministries that were giving us the documents and say, "This kind of thing is not relevant to what we're discussing, but this kind of thing is relevant," and it made the balance of the document disclosure process go very, very quickly.

The Chair (Mr. Michael Prue): Thank you for that. Any other discussion?

Mr. Mike Colle: In terms of the committee—I'm not disagreeing with Mr. Leone's call if they want more information or whatever it is, but I'm just wondering in terms of the mandate. We keep on meeting, meeting and meeting. We're calling witnesses now—

The Chair (Mr. Michael Prue): No. I want the record to be clear: This witness volunteered. He came forward; He was not called.

Mr. Mike Colle: Anyway, the volunteer witness, whatever he was.

The Chair (Mr. Michael Prue): Okay, he volunteered to give the committee—he was in the room—

Mr. Mike Colle: Anyway, I was just wondering: At what point is there an end to this? That's all I'm saying.

The Chair (Mr. Michael Prue): The committee may not meet on any of the estimates after that day in November, which was the last date on which we could meet, save and except to tidy up procedural matters that were still before the committee. Our estimates have gone back to the House and we cannot make more estimates. We will be reconstituted approximately two weeks after the coming into force of a new budget motion.

Mr. Mike Colle: So we're going to go right into the new budget, I guess.

The Chair (Mr. Michael Prue): If this happens, I'm given to understand that this will be the first time in the history of the estimates committee that it never stopped meeting.

Mr. Mike Colle: Yes, and that's why I'm asking the question. That's why I want to get that clarified, because it's quite unusual.

Interjections.

The Chair (Mr. Michael Prue): Yes, the committee has to make decisions. We keep getting documents that were requested while we had the mandate up until November. This is still documents that are forthcoming that were asked for last June. That's what we have here. That's why we're meeting. It isn't that we're trying to do anything new; it's that we're trying to finalize those things which the committee asked for while it had a mandate, and we must dispose of them. When we've disposed of the last of them—this may be the last of them—then we are finished, and we would not be reconstituted until the House reconstitutes us after the reading of a budget. Approximately one or two weeks after the procedure kicks in, the committee comes back, we choose the new ministries and we start again.

Mr. Mike Colle: Okay.

Mr. Rob Leone: Chair?

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: Just before we vote, can I ask another question? Can you give us a timeline of when this document was created?

Mr. William Bromm: Only generally speaking, because it has been a while since I looked at it, and I forget the date. But it was a 2013 document—

Mr. Rob Leone: There was a document—

Mr. William Bromm: —because the committee was specific that they wanted documents that were sent or received from January to April 2013.

Mr. Rob Leone: Obviously without getting into the nuts and bolts of the document, we made this request, as the Chair has stated, in June 2013. Can I ask why there is a delay if it was only one document?

Mr. William Bromm: Absolutely. As you know, the motion that was passed by the committee had four parts—

Mr. Rob Leone: Right.

Mr. William Bromm: —and we dealt with each part of the motion. As the secretary pointed out in his other correspondence, the bulk of the records really rested with the Ministry of Finance because of the nature of the motion, and they have a much higher volume of records. We were working with the Ministry of Finance to make sure that the committee got all of the documents it requested. We had identified this record earlier but were working with the Ministry of Finance to coordinate the disclosure. Once we knew that it was not a record that they had—because it didn't go to treasury board—we would produce it ourselves. But we had to wait and be in lockstep with the Ministry of Finance. Because we were working on parts 1, 2 and 4 of the motion first, this part is unfortunately the last one to come in.

The Chair (Mr. Michael Prue): If I could just state, because I think it's part of the record here from the minister, who has also written—and this is on the next docu-

ment—there were 17 million pages that had to be reviewed to get to this stage.

Mr. Mike Colle: I've got them all in boxes in my office, and I want them out.

The Chair (Mr. Michael Prue): There were 17 million pages, and what we are looking for today is those documents that were before the cabinet in 2013. As far as I can remember and know—and please, anyone, tell me if I'm wrong—these are the last documents that are outstanding to come before the committee for 2013 mostly, until November, the period during which the committee was responsible for looking at the estimates. We continue to exist as a committee for these purposes after the November date, but only for these purposes.

Mr. William Bromm: If I could add one thing? I don't want to complicate your lives further, but in terms of these being the last documents, the secretary would want me to point out that, in his letter, you will notice that we disclose that there are three other records that we identified that we have not provided to the committee because we felt that they were not responsive to the motion in the way that it was interpreted overall. But we wanted the committee to be aware of the fact that we had identified these records and what they were about so that we disclosed the existence of them and why we thought they weren't responsive. But the secretary wouldn't want you to have gone through this and then look at the letter later and want to talk more about those records or ask for them if you thought that these were the last, because there are these three records.

All the issues in those records are in the public domain. The issues are finished. The regulations that they dealt with are public. It's public information, and that's part of the reason why we felt they weren't responsive. But we still thought it was our responsibility to disclose them to the committee because they were fee issues that existed in 2013 and went to cabinet.

The Chair (Mr. Michael Prue): Okay. Are we ready to vote?

Mr. Mike Colle: Can I move that my documents go to the research office? Can I get them transferred over there?

The Chair (Mr. Michael Prue): No, I think that's kind of frivolous. It's fun, but no. They are your documents. They can go in the bin if you want. They are your documents; you can dispose of them as you wish.

Mr. Delaney, you have something to say?

Mr. Bob Delaney: Chair, were you going to provide the motion in writing?

The Chair (Mr. Michael Prue): If any member requests it in writing, we will recess in order to get it done.

Mr. Bob Delaney: Could we please do that, just for as brief a recess as such a thing would require?

The Chair (Mr. Michael Prue): It is totally fair. We will recess for five or 10 minutes, until such time as the motion has been put in writing. We stand recessed.

The committee recessed from 1639 to 1646.

The Chair (Mr. Michael Prue): We are called back to order. Everyone has in front of them a copy of the

written motion by Mr. Leone. Everybody's had a chance, I trust, to read it.

Mr. Leone, you're satisfied with the written motion, that it conveys what—

Mr. Rob Leone: Do you want me to read it into the record?

The Chair (Mr. Michael Prue): Yes. Well, you have made the motion orally, but if you want to read it into the record—

Mr. Rob Leone: No, I'm okay, if everyone else is.

The Chair (Mr. Michael Prue): Anybody want it read into the record? He did make a motion into the record. This has tried to capture it in, I think, the same reference—

Mr. Bob Delaney: Chair, it should be read into the record.

The Chair (Mr. Michael Prue): All right, fine. If there's a request—

Mr. Mike Colle: Isn't it automatically into the record?

The Chair (Mr. Michael Prue): No. If there is a request that it be reread into the record, Mr. Leone, please reread it into the record.

Mr. Rob Leone: Mr. Chair, I move that the Standing Committee on Estimates accepts the information received on March 3, 2014, from Cabinet Office, that is responsive to the June 11, 2013, motion adopted in committee during the review of the 2013-2014 estimates of the Ministry of Finance;

That one copy of the unredacted documents be provided to each caucus and that the caucuses keep the unredacted documents confidential; and

That the committee meet on Tuesday, March 18, 2014, at 3:45 p.m. if necessary.

The Chair (Mr. Michael Prue): All right. Everybody has that? Is there any other discussion? Seeing no other discussion—

Mr. Joe Dickson: Recorded vote.

Mr. Bob Delaney: Five-minute recess.

The Chair (Mr. Michael Prue): A five-minute recess, which is in order before the vote. We are recessed for five minutes.

The committee recessed from 1647 to 1654.

The Chair (Mr. Michael Prue): We'll call the meeting back to order. I have had an opportunity to read the rules, and it's quite clear: When the Chair allows a request to break for up to 20 minutes prior to a vote, it must immediately come back to the vote. There's no opportunity for additional motions or statements.

Having made that ruling, I would now ask for the vote. All those in favour of Mr. Leone's motion, as written, please signify. Opposed? That's carried unanimously.

We have a second document, which is, in part, the same as the first one, but this is a document dated March 4, 2014. It is written to me as Chair, and it is signed by the minister, Charles Sousa. It contains some of the same information. I don't know what we want to do with this document.

Mr. Mike Colle: Move receipt.

The Chair (Mr. Michael Prue): Okay. We have a motion to move receipt.

Mr. Rob Leone: Of this letter?

The Chair (Mr. Michael Prue): Yes.

Mr. Rob Leone: Okay.

Mr. Bob Delaney: For clarity, is this the March 3 letter written to Minister Sousa from Deputy Orsini?

The Chair (Mr. Michael Prue): It's the March 4 letter from Minister Sousa to me, with an attachment that we have already dealt with. It's the same attachment, but it is Minister Sousa outlining to the committee what he would like us to do.

It is a letter that we have to deal with. We can receive it—or anything else that the committee wants to do with it.

Mr. Rob Leone: Is that a live motion on the floor, Chair, about receipt?

The Chair (Mr. Michael Prue): It is.

Mr. Rob Leone: So are we debating that?

The Chair (Mr. Michael Prue): It can be debated. It can be, if you want time to study the motion or consider possible amendments. Be very clear, though: If you just want an adjournment before you vote, that's what you get.

Mr. Rob Leone: Right. I'm clear.

The Chair (Mr. Michael Prue): If you want an adjournment for any other purpose, be clear what the adjournment is for.

Mr. Rob Leone: Can I just ask, by us passing a motion of receiving this document, what that actually means? Just receiving it, and that's it? What are we going to do with the document—

The Chair (Mr. Michael Prue): When you receive a motion—it's the property of the committee and nothing is done with it.

Mr. Rob Leone: Okay. Are we able to do things like put another motion forward to receive documents? If we're simply moving receipt of the letter, there are documents in there.

The Chair (Mr. Michael Prue): Yes. You do have to decide what to do, because in this one, the minister is indicating that there are nine boxes of materials.

Mr. Mike Colle: Oh. I withdraw my motion, then.

Mr. Rob Leone: Mr. Colle would like them.

Mr. Mike Colle: Are they paper?

The Chair (Mr. Michael Prue): As far as I understand.

Mr. Rob Leone: He's worried.

Interjections.

The Chair (Mr. Michael Prue): Oh, USB keys, but there are nine boxes' worth of materials on a USB key.

Mr. Steve Clark: I thought I heard him withdraw the motion.

Interjections.

Mr. Rob Leone: You said "receipt."

Mr. Mike Colle: Wait a minute. No, but no paper, just the key.

The Chair (Mr. Michael Prue): As far as I know, there is a USB key containing the contents of nine boxes of material.

Interjection.

Mr. Rob Leone: For clarity's sake, in terms of the USB keys that are provided, are we dealing with exactly what we're going to do with those?

The Chair (Mr. Michael Prue): You can. It's up to the committee.

Mr. Rob Leone: I would like to—

The Chair (Mr. Michael Prue): First of all, Mr. Colle, are you withdrawing your motion before—

Mr. Mike Colle: No, no. As long as there's a USB key, I'm fine.

The Chair (Mr. Michael Prue): Well, if you receive it, though, you don't do anything with it.

Interjection: Withdraw.

Mr. Mike Colle: But I thought it was for our information that we receive it.

Interjections.

The Chair (Mr. Michael Prue): No, no. The committee needs to know what to do with it. If you receive a document, it means you don't want to do anything with it.

Mr. Mike Colle: Oh, okay. No, no. I meant to receive the information that's being offered. That's what I meant. Sorry.

The Chair (Mr. Michael Prue): If you're not clear, if you would—

Mr. Mike Colle: So I'll withdraw that, yes.

The Chair (Mr. Michael Prue): Okay, that is withdrawn. Is there any discussion, first of all, so people understand what we're doing, before we actually go and take a motion?

Perhaps the Clerk can indicate what you have received.

The Clerk of the Committee (Mr. Katch Koch): Okay. Committee members, if you look at the first page of the letter dated March 4 from the Minister of Finance to the Chair of the committee, in the third paragraph, the minister has indicated that what he's providing are three searchable USB keys: one containing a set of unredacted records; one containing a set of redacted records, redacted for various privileges; and the third USB key is a set of records that have been redacted for various privileges and for non-responsiveness to the committee motion.

Essentially, the committee has to decide what to do and how to deal with these three USB keys.

The Chair (Mr. Michael Prue): Does the committee want some time to think about this before we get into the debate?

Mr. Bob Delaney: Yes, Chair.

The Chair (Mr. Michael Prue): Okay. I need a motion from someone as to the length of time.

Mr. Bob Delaney: Five-minute recess, Chair.

The Chair (Mr. Michael Prue): All right. I have a request from Mr. Delaney for a five-minute recess. Agreed? Granted. We're recessed for five minutes.

The committee recessed from 1700 to 1715.

The Chair (Mr. Michael Prue): We are resumed. I understand that we have a motion to be read. Mr. Delaney.

Mr. Bob Delaney: Thank you, Chair. I move that the Standing Committee on Estimates accepts the information received on March 3, 2014, from Cabinet Office and March 4, 2014, from the Ministry of Finance, that is responsive to the June 11, 2013, motion adopted in committee during the review of the 2013-2014 estimates of the Ministry of Finance;

—that one copy of the “unredacted documents,” the “redacted documents for various privileges” and the “redacted documents for various privileges and for non-responsiveness” be provided to each caucus and that the caucuses keep the “unredacted documents” confidential;

—that finance be notified in advance should the committee decide to make the “unredacted documents” public.

The Chair (Mr. Michael Prue): I don't want to be editorializing, but there's a couple of things here that may have to change; I leave it to the committee. The first one is that we have already dealt with the March 3, 2014, documents from Cabinet Office. That's the last couple of words of the first line. That may have to be deleted, because we've already dealt with that.

The second thing: I think just putting in “finance” may be in error. It should say “the Ministry of Finance” or “the finance ministry be notified,” not just “finance.”

Mr. Bob Delaney: Can I reread, then, that motion, Chair?

The Chair (Mr. Michael Prue): If you would, please. I'm just trying to make it accurate, because I don't think we can remake a motion that has already been passed. We have already dealt with the March 3 document.

Mr. Bob Delaney: Chair, please consider the motion previously read to be withdrawn.

The Chair (Mr. Michael Prue): All right. Withdrawn. Do you wish to make a new motion?

Mr. Bob Delaney: I move that the Standing Committee on Estimates accepts the information received on March 4, 2014, from the Ministry of Finance, that is responsive to the June 11, 2013, motion adopted in committee during the review of the 2013-2014 estimates of the Ministry of Finance;

—that one copy of the “unredacted documents,” the “redacted documents for various privileges” and the “redacted documents for various privileges and for non-responsiveness” be provided to each caucus and that the caucuses keep the “unredacted documents” confidential;

—that the Ministry of Finance be notified in advance should the committee decide to make the “unredacted documents” public.

The Chair (Mr. Michael Prue): You're not reading the last line? It's the same? Okay.

Mr. Bob Delaney: We determined that the last line on there was not necessary.

The Chair (Mr. Michael Prue): Okay. We have a motion duly moved. Any discussion on that motion?

Mr. Rob Leone: I'm sorry, I—

The Chair (Mr. Michael Prue): Any discussion or amendment?

Mr. Rob Leone: I have a question. Perhaps, remind me, Mr. Delaney, if you could, why that last line was not necessary.

Mr. Bob Delaney: Having found out that the redacted documents for various privileges and for non-responsiveness is a completely contained subset of the redacted documents for various privileges, it's not necessary for the committee to meet. The scenario that we discussed earlier is, in fact, completely covered, and we've resolved the ambiguity that we were discussing that would have caused the committee to meet on Tuesday, March 18 to determine whether or not they were, in fact, two separate sets of documents.

Mr. Rob Leone: But when you read that motion in, we had previously had "that the 'redacted documents' be made public." Is that—

Mr. Bob Delaney: I have no objection to that. Do you want me to add—

Mr. Rob Leone: A friendly amendment.

Mr. Bob Delaney: A friendly amendment? Fine; I have no objection.

The Chair (Mr. Michael Prue): So that's back in. Okay. Is there any other discussion on this motion? Any other discussion, any amendments to the motion, anything else?

Mr. Bob Delaney: Just as a point of clarity, Chair, the public set of documents should then be the redacted documents for various privileges and for non-responsiveness. I don't believe it is the intent of the committee that non-responsive documents be made public. Is that clear? That's just for clarity, because I don't think, assuming that the third set of documents is completely contained within the second—it may or may not be necessary, but I do think it's an important thing to state.

Mr. Rob Leone: I would just suggest that my interpretation of "redacted documents for various privileges and for non-responsiveness"—that those portions of documents that are non-responsive are indeed redacted, and if they are indeed redacted, then the document has been properly vetted to be made public. That's my interpretation of what we've been provided. Having not seen

those documents, if they are indeed a subset, then that would make sense that all redacted documents be made public.

Mr. Bob Delaney: Not wishing to split hairs, I agree with you.

The Chair (Mr. Michael Prue): There seems to be some unanimity here. Is everybody then satisfied with the motion as it reads? The previous motion did have a return date of March 18. This one does not, and you're satisfied that this one does not. I just want to be clear. Okay, everybody is very happy with this.

All those in favour of the motion as made by Mr. Delaney, please signify. That carries unanimously.

Is there any other business? I don't think so. There's no other business.

I want to be clear for the record. I may have mis-spoken slightly. I said this was the last document, and indeed it is the last document from the Ministry of Finance, but the Clerk did inform me that there are still some outstanding documents from other ministries, which may require our returning to this room in the future.

Mr. Steve Clark: Will it require Mike Colle to have any more boxes in his office?

The Chair (Mr. Michael Prue): I don't know. It depends what was asked for. We are not done yet. I was hoping we were, but we are not.

Which ministries, just for the record, still have outstanding documents that should be forthcoming? I think we all need to know this.

The Clerk of the Committee (Mr. Katch Koch): Ministry of Tourism and Sports, and the Ministry of Health and Long-Term Care on CCACs.

The Chair (Mr. Michael Prue): Okay. So we still have two more ministries that may come back with documents, and we may have to meet again, so keep your best foot forward and think about, when we get those documents, what you wish to do. We seem to have fallen into a fairly good pattern on how to deal with these, so maybe we can deal with the others as they come forward before we get reconstituted sometime this spring.

Thank you very much. We stand adjourned.

The committee adjourned at 1722.

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Vice-Chair / Vice-Président

Mr. Taras Natyshak (Essex ND)

Mrs. Laura Albanese (York South–Weston / York-Sud–Weston L)

Mr. Steve Clark (Leeds–Grenville PC)

Mr. Mike Colle (Eglinton–Lawrence L)

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Substitutions / Membres remplaçants

Ms. Sarah Campbell (Kenora–Rainy River ND)

Mr. Grant Crack (Glengarry–Prescott–Russell L)

Mr. Bob Delaney (Mississauga–Streetsville L)

Mr. Steven Del Duca (Vaughan L)

Ms. Lisa M. Thompson (Huron–Bruce PC)

Also taking part / Autres participants et participantes

Mr. William Bromm, Cabinet Office

Ms. Rebecca MacKenzie, government House leader's office

Clerk / Greffier

Mr. Katch Koch

Staff / Personnel

Mr. Jerry Richmond, research officer,
Research Services



**Legislative Assembly
of Ontario**

Second Session, 40th Parliament

**Assemblée législative
de l'Ontario**

Deuxième session, 40^e législature

**Official Report
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Tuesday 1 April 2014

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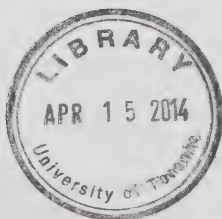
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**Standing Committee on
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 1 April 2014

Mardi 1^{er} avril 2014*The committee met at 0932 in committee room 2.*

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): Seeing that everyone is now present, I'd like to start the meeting. This meeting was called by me as the Chair. We attempted on two occasions to hold a subcommittee meeting, but unfortunately, not all members could be present. So I felt compelled, upon the request of Mr. Leone on behalf of the Conservative Party, to call the meeting for today.

The Speaker, in his ruling on a prima facie case of contempt, ruled that it was premature that the Speaker rule on it and in fact it needed, if desired, to come back to the estimates committee to do some preliminary work. The Conservatives are asking that that work be done.

I understand, unless there are any questions, that Mr. Clark has a motion he wishes to make.

Mr. Steve Clark: Do I have the floor, Chair?

The Chair (Mr. Michael Prue): You have the floor.

Mr. Steve Clark: Thank you, Chair. I move that the Standing Committee on Estimates directs the Clerk to verify that the documents referred to by Mr. Vic Fedeli, the member for Nipissing, on Tuesday, March 18, 2014, and sent to the Speaker on March 20, 2014, were part of the redacted documents provided by the Ministry of Finance in conjunction with the motion passed by the committee on November 26, 2013, and report back to the committee by the afternoon meeting on Tuesday, April 1, 2014.

The Chair (Mr. Michael Prue): Does everyone have a copy of that motion? Any discussion on the motion?

Mr. Steve Clark: Chair, can I just provide a few comments?

The Chair (Mr. Michael Prue): Yes, Mr. Clark.

Mr. Steve Clark: As we all know, each caucus was given a copy of these documents. Clearly, when you review the documents that were in the redacted box, box number 1—the four documents that were in question in this motion were in redacted box number 1; two of them were in redacted box number 4; and one was in redacted box number 7. I think anyone who reviews the documents will see why this motion is in order and why we need to deal with this matter in this way.

I think we were very clear, when we dealt with this information, on what was going to be made public versus a redacted document. I think this is in order that the Clerk

can now review that what Mr. Fedeli was dealing with was in fact no problem to be provided in a public forum. I think that it gives us the opportunity this afternoon to come back and have the Clerk verify that fact.

The Chair (Mr. Michael Prue): Any further discussion?

Mr. Mike Colle: I'm just wondering: The Clerk is going to verify exactly what? What are you asking the Clerk to do? I'm just not clear—

The Chair (Mr. Michael Prue): I think what is being asked is that the Clerk take a look at the documents in question and determine whether they came out of the redacted boxes or whether they came out of the unredacted boxes. I do believe that Mr. Clark is going to provide the documents in question, are you not?

Mr. Steve Clark: I have a copy right here.

The Chair (Mr. Michael Prue): All right. I think that's what the question is.

Should the Clerk come back this afternoon and say that it's from the redacted boxes, then I think the committee will report that out. If it comes back from the Clerk this afternoon and he says that it comes from the unredacted box, then this committee will have to start the proceedings for a prima facie case of contempt. Really, that's what it is.

Ms. Wong.

Ms. Soo Wong: I saw this motion just now from Mr. Clark. I just want to hear from the Clerk: Does he have enough time, from now until this afternoon, to review this document? I don't know. So I just want to hear from staff, because it's now 9:40. The motion is very clear: Report back to the committee by this afternoon's meeting.

Interjection.

The Chair (Mr. Michael Prue): The Clerk advises me that this is on electronic copy, so he should be able to do it. However, if for some reason he cannot, he would report that this afternoon and seek an extension.

Ms. Soo Wong: Okay.

The Chair (Mr. Michael Prue): Mr. Balkissoon.

Mr. Bas Balkissoon: I don't have a problem with the request, Mr. Chair. I had the same concern that my colleague had about time.

I guess we're going to the Clerk as a neutral person in this case. I'm wondering if it wouldn't be appropriate also, since the documents were supplied by the Ministry of Finance, for the Clerk to work with the Ministry of

Finance, at least to understand. I understand these documents were provided in different boxes, and there's a reason why it was done that way. But at least the supplier of the information should also be consulted, to give an explanation of why it was done the way it was. Hopefully, we'll get the right decision at the end of the day.

The Chair (Mr. Michael Prue): Well, I mean—
Interjection.

The Chair (Mr. Michael Prue): No, no. I just want to deal with the motion first. The motion is quite specific. If you want to make an amendment to that effect—but the motion itself does not—

Mr. Bas Balkissoon: Then I'd ask for a 10-minute recess, Mr. Chair.

Mr. Mike Colle: I just—oh, you asked for a recess? I just had another question. There were documents that Mr. Fedeli asked for, here at the committee, on the ONTC—is that what we're referring to here?—that were sent back.

The Chair (Mr. Michael Prue): This is a bit of a complicated matter, in that Mr. Fedeli asked a question in the House. A few days later, the government House leader stood up on a motion for a *prima facie* case of contempt of the House. Then there were other people who spoke to that, including the Conservative House leader, the NDP House leader and Mr. Fedeli himself. I believe, also, that Mr. Leone spoke to it, if my memory is correct. He spoke to it as well.

The Speaker reserved judgment and came back the following week and stated that it was premature inasmuch as it had to be brought to this committee first. We are just attempting to find out the documents, and since we did have two piles, we're having the Clerk determine from which pile it came. If it came from the redacted pile, then I think Mr. Fedeli was probably well within his rights. If it came from the unredacted pile, then I would think that the case that was made by the government House leader is probably accurate.

So the determination and what is being requested here by Mr. Clark is that the Clerk determine from which box it came. Mr. Clark has provided the boxes from which Mr. Fedeli claims these came from. He can check and find out whether they are, in fact—

Mr. Mike Colle: Okay, yes, now I get the—because again, I thought it was in relation to Mr. Fedeli's request on the ONTC. Could we get a copy of what transpired in the House, and the motion? I wasn't present in the House, so I think we need written documentation of what this is all about. It refers to—

The Chair (Mr. Michael Prue): First of all, I have on the floor a motion for recess, and it's supposed to be dealt with—

Mr. Bas Balkissoon: Mr. Chair, I would ask for my recess. Maybe we need to change it to 20 minutes, and let's get the Hansard documents.

The Chair (Mr. Michael Prue): And you can discuss what you would like. You would like a 20-minute recess.

Mr. Bas Balkissoon: And get the documents at the same time.

The Chair (Mr. Michael Prue): We will do a 20-minute recess. Please come back promptly at 10. I'd like to try to finish this.

Mr. Mike Colle: And can we get some of this documentation of what transpired before the House? Because that's never been before the committee.

Mr. Steve Clark: It doesn't matter, Mike. It doesn't matter. Listen, we made a motion here back on June 11 and we asked for certain documents from the Ministry of Finance. Then, once the documents were received, we passed another motion on November 26 that said that each caucus is going to get one copy of redacted documents and each caucus was going to get a copy of the unredacted documents. We then went on and decided as a committee that the unredacted documents are going to remain confidential and the redacted documents are going to be made public. That was our decision at the committee.

We don't need a recess. We don't need to fool around. There was an issue in the House that you—

Mr. Mike Colle: Wait a minute—

The Chair (Mr. Michael Prue): There is an unqualified right to a recess. I'm asking everybody to be—

Mr. Mike Colle: But I also have the unqualified right to ask for information about what transpired in the House, because that's never been before this committee. That's all I'm asking for: what went on in the House. I wasn't there.

The Chair (Mr. Michael Prue): A request has been made for the recess. We are not prior to a vote, so it does require a committee decision. Are there any objections to a recess?

Interjections: Yes.

The Chair (Mr. Michael Prue): All right. I'm going to have to call the vote, then. All those in favour of the 20-minute recess, please indicate. All those opposed?

Mr. Bas Balkissoon: I've never seen a vote taken on a recess.

The Chair (Mr. Michael Prue): There's no vote on a recess when it's prior to a vote. This is a recess for another reason, and therefore—

Mr. Bas Balkissoon: I thought it was prior to a vote that you were going to vote on, because—

The Chair (Mr. Michael Prue): No, no. If that's what you're asking for, then we come right back to vote.

Mr. Bas Balkissoon: All right. Okay. I won't argue with you. Fine.

The Chair (Mr. Michael Prue): If you want it and you say it's prior to a vote, then 20 minutes from now we're voting.

Mr. Bas Balkissoon: No, no. It's okay. You didn't call the vote. I accept.

The Chair (Mr. Michael Prue): Okay. It's a tie.

Interjection.

The Chair (Mr. Michael Prue): Yes, of course, I realize it's a tie. Thank you, Mr. Clerk.

It is a tie. I realize this is contentious. I want to make sure that all sides are heard. On this occasion, I am going to vote for the recess. I'm going to uphold the request.

We have a 20-minute recess. Please be prompt. At four minutes after 10, please be back here.

The committee recessed from 0944 to 1004.

The Chair (Mr. Michael Prue): The meeting is resumed. For the record, it's four minutes after 10. Mr. Balkissoon, you requested the recess in order to consider; I understand you may have an amendment.

Mr. Bas Balkissoon: I do, Mr. Chair. If I could just read the amendment and give an explanation, I'd appreciate that.

I move that the motion brought by Steve Clark on April 1, 2014 be amended to include the words "in consultation with the Deputy Minister of Finance" after the words "the Standing Committee on Estimates" and that the words "Tuesday, April 1, 2014" be struck and replaced with "Tuesday, April 8, 2014".

Mr. Chair, quickly, the date change is strictly to give the Clerk the opportunity to do the work that the committee is requesting, but I would like to read into the record a particular couple of paragraphs from communications the committee received, because it was given to the Clerk's office when the package came with all the documents. I'll read the last two paragraphs in this letter. It's a letter from Minister Charles Sousa to Michael Prue, the Chair of the Standing Committee on Estimates, and it's dated March 4, 2014. I'll just read that into the record.

"In its determination of which documents provided under seal should be made public, I am sure the committee will keep in mind not only my responsibility as minister to protect confidential, commercial and other information that has come into the hands of the ministry, but also our collective duty as members of the Legislature to safeguard Ontario's public interests.

"Finally, inasmuch as this package contains information that is subject to cabinet confidentiality, commercial confidentiality and other forms of legal and statutory privilege and confidentiality, it is important to note that the disclosure of these records in compliance with the motion of the committee does not constitute a waiver by the ministry of that privilege in confidentiality."

Mr. Chair, those exact words in various sentences were also included in a package that went to the committee. There was a letter from Mr. Steve Orsini, the deputy minister, to the Honourable Charles Sousa, the Minister of Finance, and I believe as a result of that letter from the deputy minister to the minister, the minister wrote to the committee. I am of the understanding that both letters were provided to the committee along with the electronic file.

I think it's important that the deputy minister be included in the review that the Clerk is doing, only in consultation with him. The Clerk will rule based on the evidence provided in front of him what Mr. Clark is asking to clarify, and I have no problems with that, because I think clearly the issue will come back in front of the committee. The Hansard will be reviewed and the documents will be reviewed, and we will have an unbiased opinion, hopefully, from the Clerk.

The Chair (Mr. Michael Prue): Mr. Clark?

Mr. Steve Clark: Yes. I don't believe the amendment is necessary and we'll be voting against it. Again, I want to reiterate that this issue stems from a motion that the Standing Committee on Estimates passed on June 11, 2013. We asked that certain documents be provided by the Ministry of Finance. We also passed a motion on November 26 that provided one electronic copy of unredacted documents and one copy of redacted documents to all the caucuses. It goes on, the motion—as I said earlier, the unredacted documents were to remain confidential and the redacted documents were to be made public.

I want to bring forward to the committee subsection (4) of the November 26 motion: "That the redacted documents responsive to part 2 of the motion be made public." That is what Mr. Fedeli released and sourced from the redacted files, which are our committee documents.

I'm voting against this motion. That's all I have to say.

1010

Mr. Bas Balkissoon: Mr. Chair?

The Chair (Mr. Michael Prue): Further discussion, Mr. Balkissoon.

Mr. Bas Balkissoon: Mr. Chair, I don't have an argument against what Mr. Clark is saying. Yes, the committee dealt with those documents and the section that he coded. But my point to the committee is, if you read the Hansard and you read the last two paragraphs of the letters that accompany the electronic file, there's a duty of due diligence beyond what is in front of us. As a result of that, I think it's only fair that the supplier of the documents be part of this review that has been requested by Mr. Clark, because that's the only way that the Clerk can determine exactly what took place and what is the fiduciary duty of members of this committee in protecting government information that is confidential.

The Chair (Mr. Michael Prue): Ms. Wong.

Ms. Soo Wong: Just to further clarify this amended motion by my colleague Mr. Balkissoon, I believe Mr. Fedeli, in the past, has returned documents to the Ministry of Finance to ask for review. So given that the holder of these materials that are in question involves the Ministry of Finance and the most senior member of the finance department, the deputy minister, it is imperative for us, given the letter from both the minister as well as the deputy minister, to ask, to ensure.

I totally get what Mr. Balkissoon said, and I also get what Mr. Clark said. I think that the document is housed at the Ministry of Finance. It is imperative that we have a conversation, consult the deputy minister, to make sure going forward when we make the final decision.

Those are my comments, Mr. Chair.

The Chair (Mr. Michael Prue): Further discussion? Mr. Fedeli.

Mr. Victor Fedeli: Thank you, Chair. These are documents that have already been released to this committee and reviewed by finance. These are, again, documents that are in the sole possession of the estimates committee and are documents that have been previously released in the public domain. We don't need the Ministry of Fi-

nance any longer. We had that review with them already, if this committee would recall. We have called them in; we have reviewed documents. These are the redacted box of documents that are open, that have been presented to the public four months ago. I can't see any reason why we can't have a quick ruling on this, Chair, and I'd appreciate that.

The Chair (Mr. Michael Prue): Further discussion? Mr. Colle.

Mr. Mike Colle: This is something that I think has two sides to this story: I think there's Mr. Fedeli's side, and there's the statement in the House by the House leader. It is, I think, important to ensure that we look at all aspects of this. In fairness to Mr. Fedeli, I really don't know whether it was a mistake, you were right or the House leader is. I have no way of judging that, because I don't know the intricacies of all these documents. As you know, I've had about 20 million documents go through my office, and they don't stop.

I just want to clear this up, because ultimately, the Speaker, in his letter to us, talks about, "This power rests with the Standing Committee on Estimates, which, as the custodian of the documents in question, is best able to decide if the allegation of improper disclosure is correct...." I think that's the onus on us.

I just want to get the thing put before us in an understandable way, because I do not challenge Mr. Fedeli on this at all. As I said, I wasn't there in the House when this happened, and I'm not sure what the pros and cons of your argument or Mr. Milloy's arguments are. We're going to have to look at this and see whether there was a mistake, whether the House Speaker is wrong, whether Mr. Fedeli had all right and he, in good conscience, did the right thing. That's why I think, rather than rushing on this, I just want a better understanding of this and to deal with this in a way that is fair to everyone, making up our minds in a way that doesn't preclude a good understanding of what's before us.

At this point, I do not quite, I think, have the judicial prudence to judge Mr. Fedeli or judge which documents were redacted or unredacted. It would take an amazing person to try and determine, not only in this situation but in all other situations, what should be disclosed or not disclosed. And the committee has been quite good. As you know, Mr. Fedeli came before this committee about ONTC documents and they were dealt with fairly. He responded, and the items were dealt with; they weren't commercially sensitive and were made public. So the committee has dealt with these things, I think, in a very prudent way, considering the complexities and the number of documents.

So all I'm saying is that I would just like to have a bit more information and a bit more of a discussion so that the committee members, through the help of the Clerk, could try and come up with a reasonable determination, as we've been directed by the Speaker. That's all I ask for, and that's why I think, in this motion here, we're getting towards that. That's all I have to say on that.

The Chair (Mr. Michael Prue): I have three more speakers down: Mr. Balkissoon, Ms. Mangat and then Mr. Clark.

Mr. Balkissoon.

Mr. Bas Balkissoon: Mr. Chair, I think Ms. Mangat was before me.

The Chair (Mr. Michael Prue): Okay.

Mr. Bas Balkissoon: I will waive and go after.

The Chair (Mr. Michael Prue): Sorry. I saw two hands at the same time. Okay. Ms. Mangat?

Mrs. Amrit Mangat: Given the complexity of the nature of the documents, as you have stated it before, and the commercially sensitive information all these redacted and unredacted documents include, it's very, very important that we must consult with the deputy minister. We are not against it. We are not saying that we are not going to do this. We just want that the deputy minister must be consulted because of the complexity of the nature of the documents. I think that time should be given until April 8 and the deputy minister must be consulted, given the complexity of the documents.

We want to ensure that the documents which have been asked to release are not released. Those documents requested include all fiscal journals that were produced by treasury board/Management Board of Cabinet between April 1, 2013, and June 11, 2013; medium- and long-term expense outlooks containing fiscal years 2015-16, 2016-17 and 2017-18; any documents dated 2013 containing considerations of user fees and/or revenue-generating fees, taxes or tolls; all fiscal and economic update presentations and slide decks provided to cabinet. Moreover, more commercially sensitive information about businesses: Why would businesses like to do business if their information is not kept confidential and private?

So it's very, very important that we must consult with the deputy minister before going through that part.

The Chair (Mr. Michael Prue): Mr. Balkissoon and then Mr. Clark.

Mr. Bas Balkissoon: Mr. Chair, I think I hear Mr. Fedeli and his comments, and I accept his comments. But I think in fairness to his comments, the whole issue has to be reviewed. That's why I mentioned just a couple of paragraphs in a letter that accompanied the electronic files that were given to the committee. Maybe I need to include these two documents with my motion—I don't know if it's appropriate. But I just want to read the minister's full letter, because I think the committee needs to understand why my amendment is necessary in the review, if any review is going to be conducted. It says:

"To Michael Prue, Chair of the Standing Committee on Estimates

"Dear Mr. Prue:

"I am writing with respect to the June 11, 2013 motion of the Standing Committee on Estimates requesting from the Ministry of Finance and the Office of the Budget and Treasury Board, which is part of the Ministry of Finance, the following documents: all fiscal journals produced for treasury board/Management Board of Cabinet between

April 1, 2013, and June 11, 2013; medium- and long-term expense outlooks containing fiscal years 2015-16, 2016-17 and 2017-18; any documents dated 2013 containing considerations of user fees and/or revenue-generating fees, taxes or tolls; all fiscal and economic update presentations and slide decks provided to cabinet.

“I am pleased to provide with this letter a package of documents responsive to part 3 of the June 11, 2013, motion.

“I am also including three searchable USB keys containing electronic versions of the hard copy records we are providing to you, as requested (one for unredacted records, one for records that have been redacted for various privileges, and a final one for records that have been redacted for various privileges and for non-responsiveness).

“Also attached is a letter from the Deputy Minister of Finance outlining the methodology used by the Ministry of Finance, in consultation with legal counsel, in responding to the committee’s requests.

“Should members of the committee have any questions regarding the search methodology that was employed, please let me know. If the committee identifies any records that they believe are illegible, incomplete or miscopied, we will check the records and provide additional records that are available. If we have misinterpreted the motion in any way, we would be prepared to provide any further documents required by the committee.

“Although the ministry has redacted the records to assist the committee in identifying particular information that is commercially sensitive and privileged and to protect the rights of third parties, the entire records have also been sealed as they contain cabinet records that are normally not disclosed to the public.

“In its determination of which documents provided under seal should be made public, I am sure the committee will keep in mind not only my responsibility as minister to protect confidential, commercial and other information that has come into the hands of the ministry, but also our collective duty as members of the Legislature to safeguard Ontario’s public interests.

“Finally, inasmuch as this package contains information that is subject to cabinet confidentiality, commercial confidentiality and other forms of legal and statutory privilege and confidentiality, it is important to note that the disclosure of these records in compliance with the motion of the committee does not constitute a waiver by the ministry of that privilege or confidentiality.”

I read this, Mr. Chair, in particular because I think the Speaker has reviewed what took place in the House; the Speaker has not reviewed these letters. If we’re going to proceed in the direction that Mr. Clark is requesting, then I think the entire process has to be looked at, and it has to be looked at in consultation with the provider of the documents. It is very important, because if we do this piecemeal, yes, people will get answers that they’re looking for, but I think you need to do fair justice to what took place, and that a report be provided by the committee back to the Legislature.

The Chair (Mr. Michael Prue): Mr. Clark.

Mr. Steve Clark: I call the question.

The Chair (Mr. Michael Prue): I just want to be clear—and the Clerk has advised me, and he’s absolutely right. Are you calling the question on the amendment?

Mr. Steve Clark: Yes.

The Chair (Mr. Michael Prue): On the amendment. Okay.

Mr. Mike Colle: I’d like to move a recess before the vote.

The Chair (Mr. Michael Prue): All right. It is in order, and given that the bells are about to ring, we will be recessed until this afternoon at approximately 3:45. The first order of business, when we come back, will be voting on this amendment.

The committee recessed from 1024 to 1551.

The Chair (Mr. Michael Prue): Okay, we have commenced, in the House, orders of the day, so the committee is now ordered. When we adjourned, there was a request for a 20-minute recess, which necessitates holding the vote immediately upon return. The vote will be on the amendment by Mr. Balkissoon. Everybody has that in front of them?

Mr. Bas Balkissoon: Can I get a recorded vote, Chair?

The Chair (Mr. Michael Prue): On a recorded vote. We have a request for a recorded vote as well.

Ayes

Balkissoon, Colle, Mangat, Wong.

Nays

Clark, Fedeli, Natyshak, Nicholls.

The Chair (Mr. Michael Prue): Okay. This committee constantly puts me into this position. There is a bit of a conundrum here, because as the Chair, I have had to vote one side or the other to break almost every single vote in the last year—at least all the contentious ones. The convention is that the Chair does not decide for the committee, except in procedural matters. I’m wrestling, in my mind, as to whether this is a procedural matter or a substantive matter, the amendment to ask the Clerk to perform clerical—I don’t know what other word to use—duties. Is that administrative or is it procedural?

In my mind, this would go more to procedural matters, and I want to say why. I’m going to be very blunt about how this may unfold as we go down through the votes, depending on how I vote on the amendment. Then we will go to the main motion as amended or not amended, and then there will be, I guess, the order for the Clerk to research what is required for the committee. Depending on what the Clerk then discovers, we would get into a debate as to whether there was nothing for the committee to do or whether we were to go to the possibility that there would be a contempt hearing initiated within the committee for us to make advice to the Speaker. That, I

think, has already been decided, at least in the past, when we dealt with a similar matter involving the former cabinet minister responsible for energy.

At this time—I'm sorry if I'm struggling here for words, because this is very difficult. At this time, I am being asked to adjudicate, or to decide or to cast a vote, on whether or not to include consultation with the Deputy Minister of Finance and changing the date. I want to do it right, and I want to do it fairly, and so, with the indulgence of the members—and I know we've all been brought back here—I would like to take a 10-minute recess in order to discuss the problem that I have inherent in this, whether it is procedural or whether it is substantive, with the Clerk. I don't mean this Clerk; I think I need to discuss this Ms. Deller, if she is available.

So I'm going to take that 10-minute recess to make sure that I do it right and do it fairly, and then I'll come back and either cast my vote or make my position known.

We stand recessed for 10 minutes.

The committee recessed from 1555 to 1611.

The Chair (Mr. Michael Prue): We will call the meeting back to order. In the intervening period, I had an opportunity, along with Mr. Koch, to meet with the Clerk of the Assembly, Deb Deller, and to discuss with her what would happen if I were to vote.

As I said, there is precedence that goes back many years that says that if the committee cannot decide, the Chair should not decide in committee to move something forward, but there is also precedence that it is the Chair's responsibility to move things forward. As Ms. Deller explained to me, I could rule either way, and it would be upheld, because this is a very difficult conundrum that we find ourselves in.

Ms. Deller did point out to me what supporting the motion by Mr. Balkissoon would do. In part, what it would do—and I just want the members, Mr. Balkissoon especially, who moved the motion, to see the effect of the actual wording of his amendment. His amendment states: "I move that the motion brought by Steve Clark on April 1, 2014, be amended to include the words 'in consultation with the Deputy Minister of Finance' after the words 'the Standing Committee on Estimates.'" So this amendment, if I was to support it, the motion, as amended, would read "that the Standing Committee on Estimates, in consultation with the Deputy Minister of Finance, directs the Clerk to verify the documents."

Interjection.

The Chair (Mr. Michael Prue): No, no. What it means is that the Standing Committee on Estimates—that's all of us—in consultation with the Deputy Minister of Finance, directs the Clerk to verify the documents. It doesn't say, and maybe should have said, that "the Standing Committee on Estimates directs the Clerk, in consultation with the Deputy Minister of Finance...." See, the Clerk would then work with the Deputy Minister of Finance.

Mr. Bas Balkissoon: That was my intent. English is a tough language, but you have my motion.

The Chair (Mr. Michael Prue): Okay, but I mean, they do two different and separate things. Your intent is

one thing and the words are another. That's the conundrum I have.

So I'm going to take the advice of the Clerk and take the amendment as it reads, and I am not going to support the amendment. I am going to cast my vote against the amendment, because two things: first of all, I don't think that the Standing Committee on Estimates, in consultation with the Deputy Minister of Finance—that is not what I think the standing committee should do—

Interjection.

The Chair (Mr. Michael Prue): I'll get to you in a second. I just wanted to give my ruling.

I don't think that the committee should actually go out and consult with the Deputy Minister of Finance and then direct the Clerk. I think maybe had it been the other way, I might have been more amenable to it. But I also think that the committee has been very clear in the past and has listened to both the minister and the assistant deputy minister on what documents should be given out, and has, I think, given its own directive, and that the committee does not at this point need to consult with the Deputy Minister of Finance before making this decision. The Deputy Minister of Finance has said what we need to do, the minister has said what they're hoping we would do and, in fact, the committee has done that in its own ruling, which was adopted, I think, unanimously—one of the very rare things that was adopted unanimously.

So in order to allow this to proceed on to the main motion, I am going to cast my vote against the amendment. So the amendment fails.

Mr. Clark?

Mr. Steve Clark: I'd like to ask that the question be called for the main motion, Mr. Chair. And thank you for your ruling.

The Chair (Mr. Michael Prue): The Clerk is faster at telling me what to do than I am at even getting the words out of my mouth. I would gladly entertain that, but I have to first of all determine whether or not there has been some debate on the main motion. I have to determine whether there is any other will, or any other people who wish to speak to the main motion.

To the main motion: Mr. Balkissoon.

Mr. Bas Balkissoon: Thank you, Mr. Chair. I respect your ruling and thank you for your ruling. The intent was to identify that the main motion, in its current form, lends itself to the Clerk conducting a very narrow assessment of what actually took place in regard to what should have taken place. I say that because I want to go back to the letter that I read into the record. If you listen to what I said carefully, that letter clearly states that all of us, as elected members, regardless of if we identify a situation of confidentiality, have a responsibility. I would say to you, based on the Hansard that was handed to us—I want to read the Hansard, if you could just give me a second here. In the Hansard, when Mr. Fedeli got up to ask his question, he said:

"Good morning, Speaker. My question is for the Minister of Finance. In yesterday's Focus on Finance presentation, we had an insider's look into the secret workings of the Liberal Party.

“Last year, when your finance officials told you one thing, you immediately went out and told the bond-rating agencies something completely opposite. We also saw that you blacked out many emails, labelling them ‘commercially sensitive information.’

“Let’s take a look at what you were covering over: ‘No funding for incremental compensation increases for new collective agreements; salaries for designated groups frozen until 2017-18.’ Minister, you voted against our across-the-board wage freeze when you were secretly planning to do the same thing. What else are you hiding?”

So if the staff in the ministry had redacted that information out of one package, but mistakenly put it in the second package by a photocopying error, and the staff is not able to explain that to the Clerk, a different decision will come out. I think Mr. Fedeli wants to clear his name—that he did what he thought was right—and I don’t disagree with that. But I think that the truth, the whole truth and nothing but the truth should be investigated, which is the whole story.

It seems as though—and I’m assessing based on what Mr. Fedeli said in the House—between the packages of documents there was an administrative error or clerical error where a document that was supposed to be redacted accidentally had another copy in the other group. If he recognized that there was that clerical error, if you read the covering letter that accompanied the records from the deputy minister, there is a duty upon all of us who are elected to protect the establishment, the confidentiality and the credibility of this place.

I was asking in my amendment that that is what I would like the Clerk to do as that extra step that is not included in this motion. This motion is strictly to look at the two documents that he had. I don’t argue with him; those two documents may have found themselves in the two packages. I haven’t seen the total packages. I haven’t read them all, but I’m just doing my own assessment of what has been put in front of us.

1620

Without including the deputy minister to explain what he sent to the committee via the finance minister, and explaining to his staff what they did, and how it occurred, does not lend justice to what took place.

I put that on the record that this motion might be legitimate, but it’s another unfair assessment of what is taking place around here, and I find it’s very degrading of this institution.

The Chair (Mr. Michael Prue): Your comments are noted, but I do have to advise you that this is an amendable motion. If you want to add something to it then something can be added, or separate motions can be made around the issue.

Mr. Bas Balkissoon: Well, then, Mr. Chair, if you would explain that to me, I would have moved a second motion, correcting my error in the first motion, because that was my intent. One of my colleagues may do it.

The Chair (Mr. Michael Prue): The difficulty I had with doing that is there was a 20-minute recess that brought it to the—and I have to proceed immediately to

the vote. And I had to proceed immediately to the vote with what was written there.

Mr. Bas Balkissoon: I take your decision. One of my colleagues will do the correction. They understand what you are looking for now.

The Chair (Mr. Michael Prue): I have Mr. Clark first and then Ms. Wong second to speak to this, and then Mr. Fedeli.

Mr. Steve Clark: I just can’t believe, Chair that the Liberal Party is now using the word “mistake.” We had a motion at this committee in June 2013.

Mr. Bas Balkissoon: Mr. Chair, on a point of order.

Mr. Steve Clark: That’s what you used. You used the word “mistake”—

The Chair (Mr. Michael Prue): On a point of order, Mr. Balkissoon.

Mr. Bas Balkissoon: Mr. Chair, I did not say there was a mistake. I said the deputy minister should be consulted to find out if there was a mistake. I didn’t say there was one. I am reading what Mr. Fedeli said in the House and what is being put to us today, and the Hansard that took place before, and the copies of the documents that were handed to us. I’m assuming that the deputy minister should be in front of whoever is going to pass judgment to at least be given a chance. I rest my case. I did not state what he stated.

The Chair (Mr. Michael Prue): I don’t know if an actual point of order ensued from what you stated, but it is on the record.

Back to Mr. Clark.

Mr. Steve Clark: Again, Chair, I want to get on the record: June 11, we passed a motion for documents. Months later, on November 26, we passed a motion about those documents and made a very clear direction on which documents would be made public and which would not. If there was some mistake, then this government could have come forward and indicated that, rather than smearing Mr. Fedeli’s good name through a process.

I’m sick and tired of these procedural games to kick the can down the road on this document.

We received some redacted documents that we could make public. Every slide that I talked about this morning was in that package. Anybody right now, Chair, can ask for these documents. These are public documents. It’s not just Vic Fedeli or Steve Clark or Rick Nicholls or any of you; anybody right now can ask for these documents because this committee has deemed that they be made public.

You can’t go back and revise history just because they’re not politically good for the government. We made a decision. I’d love, at some point down the road, to find out which company did this, and the principals of that company, and who was involved. I certainly hope that the gentleman we were discussing in question period wasn’t involved in redacting these documents, but that’s another story down the road.

Again, we’ve made a decision on what would be public and what isn’t going to be public. I clearly stated this morning where these four slides were received from

Mr. Fedeli. They were received in the box that was in the public domain.

Any further amendments by the government are just being mischievous and not dealing with the issue that Mr. Fedeli did nothing wrong.

The Chair (Mr. Michael Prue): Ms. Wong.

Ms. Soo Wong: Given the original motion that Mr. Clark presented to the committee, the date of this motion now needs to be changed. Right? I have no idea what timeline we're talking about. The Clerk is coming back to this committee. I don't know, because he said he would report back to the committee by this afternoon's meeting on Tuesday, April 1? So that's our first question; right? I don't know.

Given, Mr. Chair, you have ruled on my colleague Mr. Balkissoon's amended motion, I'm going to ask for a friendly motion. I read the Speaker's release statement of Tuesday, March 25, and I believe just toward the second-last paragraph on page 1—I'm going to quote it so it will be on record: "This power rests with the Standing Committee on Estimates, which, as the custodian of the documents in question, is best able to decide if the allegation of improper disclosure is correct, and it can bring this matter properly before the House by adopting and presenting a report, if it chooses to do so." So, Mr. Chair, we are putting a lot of responsibility on the Clerk. That's what I'm reading.

From this motion that Mr. Clark has asked this committee to do directing the Clerk to review the documents—I have no problem with that. I just want some clarification: Is it normal practice—I'm a new member of this committee. I want there to be clarification that we are putting all of the onus onto the Clerk.

According to the statement from the Speaker on this ruling, he put the power to the committee, the nine of us here. Now we are seeing the motion by Mr. Clark to ask the staff, the Clerk, to verify the document. I'm quite comfortable with that. I just want to hear, Mr. Chair: Is that normal practice? As a new member of this committee, I just want some clarification of the role and responsibility of the staff so that before we go forward—but I do definitely want to know the timeline. I don't know what the timeline is now because the initial motion is to report back to this committee this afternoon. So what is the new timeline we're moving to?

The Chair (Mr. Michael Prue): You've asked a couple of questions, and before I go to the next speaker I'm going to clarify what would happen.

The Speaker is absolutely correct: There can be no doubt that the power rests with the standing committee, not with the Clerk. All this motion does is it directs that the Clerk go out, research the box or boxes, determine whether these were redacted documents that could be released or if they were unredacted documents that could not be released.

The Clerk will then report back to the committee. It is at that point that the committee is seized with it, and any number of motions might be made. It is the committee and not the Clerk who will make those motions.

All that this motion does is direct the Clerk to determine, from those boxes, where the actual documents in question came from to determine what action or lack of action the committee might make.

In terms of the date, you are absolutely correct: The date may be problematic. I don't know how long it will take the Clerk to look through the boxes, but we can meet tomorrow. Part of our mandate is to meet on Wednesday afternoons at 3:45. That could be changed if it is the request of the committee that it be changed to tomorrow, or if the Clerk thinks that he could not research it or more is involved, it could be adjourned to next Tuesday, as in the original amendment which was defeated by Mr. Balkissoon. So there are several possibilities, but that's up to the full committee.

All the motion does, in my view, is request that the Clerk, in his professional and, I know, unbiased manner, determine from whence the documents came. That's pretty much it. After that, I'm in the full committee's hands as to what to do with that information once the Clerk reports.

Now, I have a list here and, Mr. Colle, I'll add you to the list as soon as I find it here.

I have Mr. Fedeli next.

Mr. Victor Fedeli: Thank you, Chair. I have a question, maybe through you to the Clerk, if possible. I'll let you decide. I have constituents in North Bay who have contacted my office and said, "I would like a copy of the document that was released by the committee." How do I obtain four copies, in sealed envelopes, of that disk?

The Chair (Mr. Michael Prue): I'm not sure.

Mr. Victor Fedeli: So I'm asking the Clerk through you.

1630

The Chair (Mr. Michael Prue): I'm going to ask the Clerk. If I disagree with the Clerk again, I'll speak. I'm going to give him this one.

The Clerk of the Committee (Mr. Katch Koch): Mr. Fedeli, normally when we have a request for information or documents, we would try to narrow it down to what exactly the person making a request is looking for.

Mr. Victor Fedeli: They were looking for the copy—in the letter from this committee, it said that they'd be declared public documents. It's whatever we declared public documents on a disk.

The Clerk of the Committee (Mr. Katch Koch): I would not normally give them a specific timeline, depending on how long it would take us to find the documents.

Mr. Victor Fedeli: No, no. They're talking about that one set of documents that was released in November, that disk of documents, all the documents that were declared public documents that day.

The Clerk of the Committee (Mr. Katch Koch): If they want the full disk, then we would make a copy of the full disk. But if they're looking for a specific page—

Mr. Victor Fedeli: No, just the full disk.

The Clerk of the Committee (Mr. Katch Koch): Then we would make a copy of the disk.

Mr. Victor Fedeli: Is that something that's easily accommodated?

The Clerk of the Committee (Mr. Katch Koch): Normally for something like that, we can turn it over within a day.

Mr. Victor Fedeli: Do you want me to bring you a formal request from my constituents, or will you take my undertaking that I need four of the disks that were released public documents?

The Chair (Mr. Michael Prue): Again, I'll let him answer this question, but he is serving the committee here—

Mr. Victor Fedeli: I understand that.

The Chair (Mr. Michael Prue): —and this is not a committee—

Mr. Victor Fedeli: Well, I'm getting to my point.

The Chair (Mr. Michael Prue): This is your individual responsibility outside the boundaries of this committee. But I'll let him answer it and I'm going to stop the questions on that.

Mr. Victor Fedeli: I appreciate that.

The Clerk of the Committee (Mr. Katch Koch): I would ask you to get your constituents to give me a call and we will determine whatever arrangement to try to provide information to your constituents.

Mr. Victor Fedeli: Okay. Thank you. Chair, I would call the vote.

The Chair (Mr. Michael Prue): I still have Mr. Colle on the list.

Mr. Mike Colle: I would like to move an amendment, and I've written it out.

I move that the motion brought forward by Mr. Steve Clark on April 1, 2014, be amended to include the words “in consultation with the Deputy Minister of Finance” after the words “directs the Clerk,” and that the words “Tuesday, April 1, 2014” be struck out and replaced with “Tuesday, April 8, 2014.” I'm just trying to correct the confusion that was in the previous amendment in a more clear and transparent way that will help clarify the situation, so that the Clerk can consult with the Deputy Minister of Finance so that he could have a full examination of the whole issue and the disclosure and which documents were confidential and which ones were not. That's my motion.

The Chair (Mr. Michael Prue): We have a motion, Mr. Fedeli, on the amendment.

Mr. Victor Fedeli: In your ruling of about 10 minutes ago—and I quote your words: “The committee does not need to consult with the Deputy Minister of Finance.” I don't know how this motion can be any different than the last, although there are some word changes. Those are exactly what your words were.

The Chair (Mr. Michael Prue): And I stand by my words. The committee does not need to consult with the Deputy Minister of Finance. What is being moved here is that the Clerk consult with the Deputy Minister of Finance. This is a fundamentally different amendment because it is changing the onus from us to ask permission to the Clerk to consult with.

Mr. Victor Fedeli: Again, Chair, the ministry turned these documents over to this committee. This committee, in a vote, declared certain documents public domain. All we're asking is that the Clerk verify that the documents that were used are the ones in the public domain. You don't need a deputy minister to tell you that. We already have the documents freed and given freely by the minister and the deputy minister to this committee. The committee has then gone and done their good work to release these documents. This is an incredibly simple ask of the Clerk. Quite frankly, I'm very upset at the stall tactics, which go completely against the Premier's comments on these lowball tactics. Either they're flying on their own against the advice of the Premier or this is a conspiracy, like many we've had—

Mr. Mike Colle: Oh, Mr. Speaker—

Mr. Victor Fedeli: Hey, I'm speaking here. Excuse me. I'm tired of this—

Mr. Mike Colle: Wait a minute. It's a bit—

Mr. Victor Fedeli: Yes, it is a bit, and I'm tired of it, to be quite honest. I'm sick and tired of this. This is absolute nonsense. You know it. You're good people. You are all good people and you know what you're being asked to do. I just think that it's absolutely shocking that you're continuing to do this. In five minutes, the Clerk could resolve this, like that. The Clerk could—

Mr. Mike Colle: He's insulting the members of the committee.

Mr. Victor Fedeli: How could I insult you by saying you're good—

Interjections.

The Chair (Mr. Michael Prue): Order. Order. Order, please.

Interjections.

The Chair (Mr. Michael Prue): Order. Order.

Mr. Fedeli, I think—

Mr. Bas Balkissoon: I'd ask him to retract his statement, because he's basically saying that I came here and I made a decision because somebody ordered me to do it. That is furthest from the truth.

The Chair (Mr. Michael Prue): Mr. Fedeli, I think some of your statement was intemperate, and I would ask that you withdraw it.

Mr. Victor Fedeli: I will withdraw the intemperate portion, Chair, with my apologies to you and the committee.

The Chair (Mr. Michael Prue): Okay, thank you. The question I have as the Chair is, is this motion sufficiently different from the previous one to allow it to proceed? I don't have to agree with it, and you don't have to agree with it. My ruling has to be, is it sufficiently different? It is, because it changes to whom the deputy minister will relate to the committee, which I explained was not a good thing. Now it is being changed to the Clerk.

I'm not going to make a statement on this, because I don't know how people are going to vote, and I'm hoping I don't have to break a tie. But it is different, so I have to allow it.

You have spoken against it. That is your right, to say you don't like it. Does anyone else wish to speak to this amendment?

Mr. Mike Colle: Just briefly, Mr. Chair, as I've said from the beginning, we have been asked by the Speaker to play Solomon here. All I've said from the beginning is that we want to make sure we understand the context of this. It was something that had happened in the House that then evolved into issues between the House leader and the member from Nipissing. We're asking for some clarification here so that the Clerk can direct us in terms of what he is able to explain to us as to what transpired. That's all I'm trying to get at.

The suggestion here in this amendment is for the Clerk to at least be able to consult with the Deputy Minister of Finance so he gets an opportunity to clarify this very complex document dispute. Then we can rule, with the full information before us. That's all I'm asking for. I said from the beginning that I find this a very complicated, confusing thing, because of all the different players in this.

Mr. Victor Fedeli: It's not complicated at all.

Mr. Mike Colle: Well, I think before we make a decision as a committee, I want all the information, and I want the Clerk to have all the information. So what do you have against having the information? That's what I'm asking for.

Mr. Steve Clark: We made the decision on what is public.

Mr. Mike Colle: You wanted to have the vote in the first minute.

The Chair (Mr. Michael Prue): Order, please.

Mr. Steve Clark: We made the decision—

Mr. Mike Colle: You didn't want any discussion. You said, "Vote, vote, vote."

Interjections.

Mr. Mike Colle: Oh, God, give me a break.

The Chair (Mr. Michael Prue): Order. Order, please. This needs to be a rational decision that is made. Does anybody else wish to speak to the amendment? All right, then.

On the amendment made by Mr. Colle, the amendment will read—and I'm going to read it into the record so everybody understands that it is different.

"Mr. Colle: I move that the motion brought forward by Mr. Steve Clark on April 1, 2014, be amended to include the words 'in consultation with the Deputy Minister of Finance' after the words 'directs the Clerk,' and that the words 'Tuesday, April 1, 2014' be struck and replaced with 'Tuesday, April 8, 2014.'"

That's the amendment you have before you. All those in favour of the amendment?

Mr. Bas Balkissoon: A recorded vote.

Ayes

Balkissoon, Colle, Mangat, Wong.

Nays

Clark, Fedeli, Natyshak, Nicholls.

The Chair (Mr. Michael Prue): First of all, there were two problems with the last one, and I explained them. The first one was that I didn't think the committee on estimates needed to consult, because they already did with the deputy minister.

This is different. This requires that the Clerk, in consultation, do the research. I don't know how the Clerk feels about this, quite frankly.

I would agree that this is a fairly routine matter for somebody who has a USB key and who can locate the documents in question, probably within a matter of minutes, to determine whether or not they came from boxes 1 through 7 of the boxes that were redacted, or, in a matter of other minutes, to determine whether they are in unredacted copy, which were not to be released without the committee's permission. I'm not sure what the deputy minister would have to advise the Clerk. That's the problem I have with this. I'm not sure what the deputy minister would have to advise the Clerk on what he was looking for. There could be a real reason, once the Clerk has uncovered from whence the documents came, for this committee to call the deputy minister back. That seems to me to be the appropriate time to determine whether or not the intent of the deputy minister's letter and the minister's letter, and the decision of this committee—especially the decision of this committee—was followed.

1640

Again, I have problems with this, because it seems to me to be unnecessarily bureaucratic, when this motion is simply asking the Clerk to do the research and report back to the committee. I have been here 13 years. I don't ever remember when an officer, whether it be the researcher or the Clerk, or anyone else brought before us—where the committee has instructed those officers to be shadowed or to consult with a deputy minister on their authority to do so. The committee is properly struck by the Legislature and has its own jurisdiction, and I would not want to encumber that jurisdiction. That is my position, and I cannot support the amendment. So I cast my vote against it.

Back to the main motion.

Mr. Steve Clark: Can I call the question?

The Chair (Mr. Michael Prue): Is there any discussion on the main motion? On the main motion, Mr. Colle.

Mr. Mike Colle: I know the difficult spot that the Chair is put in. It's just that I don't see what harm it would do, because this is, again, very difficult to determine in terms of which pile this came out of—redacted, unredacted—who said what, who's wrong, who's right. I just thought, in the fulsome of his research, the Clerk could basically get further clarification about this whole thing. Because the Ministry of Finance has had key involvement in this document disclosure. They are their documents, and I think talking to the deputy minister, who has been here before, would not hurt in terms of

clarifying this whole issue up. I don't want to condemn anybody for voting against it, but on the other hand, I just don't see the harm in getting more information from the ministry as to who it might have come from, especially when the deputy minister has been directly involved in these said documents that are in dispute. That's all.

The Chair (Mr. Michael Prue): You made your statement, but I would remind all members of the committee that when those documents were turned over by the minister and the deputy minister, they became the property of this committee. They are the property of this committee, and it is this committee that must make the determination about how the documents are to be dealt with. We made that decision in consultation and after having consulted with both the minister and the deputy minister. The agreement was unanimously made by everyone present at that time that the unredacted copies would not be made public without bringing them back to the committee and that the redacted copies were public knowledge and that they could be released. That's the decision that was made.

The determination of the committee at this stage is simply to determine whether these were redacted or unredacted copies. From that, everything else will flow, including the right to call the deputy minister, including the right to possibly find Mr. Fedeli in contempt, including the right for the committee to write a report and find he is not in contempt. Any number of possibilities will ensue from the simple finding of fact. That's clear to me. I hope it's clear to everyone else.

We've had a call for the question. Is there any other discussion? No other discussion—

Interjection: A recorded vote, please

The Chair (Mr. Michael Prue): We do have a problem with the date. We do have a problem, unless the clerk can advise me that within the next hour he can finish this for sure. We can recess for an hour until a quarter to 6 and have him come back, if he feels he wants to do that, or—and I'm going to be in his hands on this—whether he would prefer to leave it until tomorrow at 3:45, because the committee may meet again on Wednesdays. We would simply adjourn until tomorrow.

Interjection.

The Chair (Mr. Michael Prue): He's right. It is not his decision; it is our decision. If we decide that we want him to report back in an hour, if he can't find the information, he will so advise. If he can find the information, he would advise that as well, and we can proceed at that point. If the committee, in its wisdom, wants to wait until tomorrow, it needs to be amended. I'm in your hands.

Mr. Clark?

Mr. Steve Clark: My initial thoughts were that we do sit until 6 o'clock. If the Clerk wants an hour to review it and if he comes back and indicates he needs additional time, then I'd be prepared to deal with that in the form of a motion at that time. I'm certainly scheduled to be here until 6 o'clock, and I'm certainly able to deal with that in the time frame of our committee today.

The Chair (Mr. Michael Prue): Is this the will of the committee?

Mr. Mike Colle: We get outvoted anyway, so what's the use of the will of the committee?

The Chair (Mr. Michael Prue): I don't think you should assume that the Chair is going to do that. I've ruled on behalf of the government members once today and on behalf of the opposition twice. I'm trying to be as fair as I can. All right, so—

Mr. Mike Colle: It makes no difference, really. If he can get it done, he gets it done. I don't really care. I'm just saying—

The Chair (Mr. Michael Prue): Having heard that, I'm going to take the vote. Do you want a recorded vote on this as well?

Mr. Taras Natyshak: Yes.

Ayes

Balkissoon, Clark, Fedeli, Mangat, Natyshak, Nicholls, Wong.

The Chair (Mr. Michael Prue): That carries.

All right; we are now recessed until a quarter to 6. We await the Clerk's findings.

The committee recessed from 1645 to 1745.

The Chair (Mr. Michael Prue): All members now being present, I would ask the Clerk to inform the committee of his findings.

The Clerk of the Committee (Mr. Katch Koch): Committee members, I have put on your desks the corresponding slides. On top of the slides, it indicates where these slides came from. They came from the redacted boxes. It also identifies the box and the page number for each one of the slides.

The Chair (Mr. Michael Prue): Just to be clear for the record, were any of the slides found in the unredacted boxes?

The Clerk of the Committee (Mr. Katch Koch): I did not look in the unredacted boxes.

The Chair (Mr. Michael Prue): But you did find all of these four in the redacted boxes?

The Clerk of the Committee (Mr. Katch Koch): Correct.

The Chair (Mr. Michael Prue): On the page indicated?

The Clerk of the Committee (Mr. Katch Koch): Correct.

The Chair (Mr. Michael Prue): Okay, thank you. I am now in the committee's hands. Having been informed of where these slides came from, what do you wish to do?

Mr. Steve Clark: Chair, if I might, my contention was that these documents were in the redacted boxes all along, and that Mr. Fedeli did nothing wrong in releasing them, because, clearly, that was the direction that the committee—we made a decision that the redacted boxes could be made public and that the unredacted boxes would remain confidential, unless this committee decided otherwise.

So I take it that this decision vindicates Mr. Fedeli. That's my interpretation. I wanted to make those comments on the record.

The Chair (Mr. Michael Prue): Mr. Balkissoon.

Mr. Bas Balkissoon: I'm not sure we got a complete job here, Mr. Chair, because the Clerk has just said that the documents are just verified to be in the redacted box. I don't think anything was done to verify what was made public and what statements were made public. That was my argument from the onset.

The Chair (Mr. Michael Prue): Well, you can make that argument, and you have, on the record. My recollection, and the Clerk verifies that with me, is that the committee unanimously stated that those items which were in the redacted box were to be made public, so they were made public.

Further speakers?

Mr. Mike Colle: Were some of the documents in both boxes, the redacted and the unredacted? Is that possible too?

The Chair (Mr. Michael Prue): I have not looked through the unredacted box. The unredacted box would have the documents in their totality. So—

Mr. Mike Colle: I just think there was some confusion about where they came from, that it was the understanding—that's why I wanted to get the Deputy Minister of Finance here, to basically explain the confusion and to clear up why the Minister of Finance indicated they came from the unredacted documents. That's the clarity I wanted. But since we weren't allowed to have the Clerk discuss it with the deputy minister, I think we have incomplete information here.

The Chair (Mr. Michael Prue): The Clerk has stated that the documents that were presented to the committee all came from an unredacted box—

Interjection.

The Chair (Mr. Michael Prue): Excuse me—from the redacted box. I'm flicking back and forth.

1750

I trust the Clerk is correct. He has given citations where they came from in each case. Each one of the four pages can be looked up by anyone who wants to know whether the documents in Mr. Fedeli's possession and that he states he used in the framing of his question came from a redacted box, which this committee, in its wisdom and unanimously, said could be released.

Mr. Mike Colle: Well, anyway, I think we should ask—where this confusion came from was that the minister—

Mr. Steve Clark: There's no confusion.

Mr. Rick Nicholls: It's straightforward.

Mr. Mike Colle: Well, why would the House leader say that it came from the unredacted box—

Mr. Taras Natyshak: Ask the House leader.

Mr. Mike Colle: That's what I'm trying to find out.

Mr. Victor Fedeli: That's not what he said.

The Chair (Mr. Michael Prue): We have this information. Is there anything else the committee wants to do now that this information is known to the committee?

Mr. Fedeli?

Mr. Victor Fedeli: Thank you, Chair. There are two sets of files. "Unredacted" means these are files with no

redactions and we're free to use. The redacted box, which we're also free to use, has some files that are blacked out.

I have a question, through you, to the Clerk again: Was all the information I released public documents?

The Clerk of the Committee (Mr. Katch Koch): After reading Hansard, what was quoted in your question in the House, yes, it's available in the redacted documents.

Mr. Victor Fedeli: No, I don't want to use the word "redacted." Is it public information?

The Clerk of the Committee (Mr. Katch Koch): Yes.

Mr. Victor Fedeli: Thank you.

The Clerk of the Committee (Mr. Katch Koch): When the committee made the decision to make the documents public, we exhibited the documents that day.

Mr. Victor Fedeli: And only the public documents are the documents that I released, as you read in Hansard?

The Clerk of the Committee (Mr. Katch Koch): As ordered by the committee.

Mr. Victor Fedeli: Thank you. Chair, I don't think there's anything further from our party.

The Chair (Mr. Michael Prue): Is there anything else the committee wants to do, having made this determination?

Mr. Mike Colle: I'd like to speak to my House leader to see where this all came from. I'd like to hear his version of it, because I haven't spoken to him and I don't think he has appeared in this committee, or where this came from—I just want that opportunity. I haven't spoken with him.

The Chair (Mr. Michael Prue): Are you asking that this matter be adjourned today and resumed tomorrow? Is that what you're doing at this point?

Mr. Mike Colle: Yes, or even if I could ask him to explain what happened, because I haven't had that opportunity. It doesn't even have to come before the committee. I'd just like an explanation.

The Chair (Mr. Michael Prue): You are free, as a member of this House, to ask anybody any question you want, including a member of your caucus. I don't know. Do you want this committee to do anything with the information we have? That's the question I have of each of you.

Mr. Clark?

Mr. Steve Clark: I do, and I have a motion, Chair.

I move that the Standing Committee on Estimates report to the House that the Clerk has verified that the documents referred to by the member for Nipissing on Tuesday, March 18, 2014, and sent to the Speaker on March 20, 2014, are public information.

The Chair (Mr. Michael Prue): The Clerk is right. As I see it and as the Clerk informs me—and I agree with him on this one; I didn't agree with him earlier today, but I agree with him on this one—our responsibility is to report back to the House, through the Speaker, if we believe there was a breach of the committee's motion and instructions to the members of the committee.

This would not be a breach, that you're seeking to go back. I would hear argument, but I'm not sure at this point that I think the motion would be in order.

Mr. Victor Fedeli: Sorry. Can you repeat the last part? Is or is not?

The Chair (Mr. Michael Prue): Is not. I am not convinced that it is in order at this point. I would hear argument that it is in order, but this is in the negative to what the committee is supposed to do. The committee is supposed to report back to the House if we feel there is a breach. As the committee did earlier last year with the Minister of Energy, as he then was, we reported that there was a prima facie case. We would not have reported to the House that we did not believe there was a prima facie case. That is not the role of the committee. It would be the same thing here. We could report back if there was a prima facie case against Mr. Fedeli, but I don't think we have the authority to go back to the House and tell them that there is none.

Mr. Fedeli.

Mr. Victor Fedeli: I appreciate your comments, Chair. When they ask a question about a breach, is it not proper for this committee to let them know that a conclusion has been made? It's a pending file, an open file; is it not appropriate to have the opportunity to write a letter to the Speaker or the Legislature that says that the answer is no?

The Chair (Mr. Michael Prue): We report back to the House asking the House, through the Speaker, to investigate. That's what the Speaker did with the former Minister of Energy. We felt, in our combined wisdom, that there was a prima facie case and asked the Speaker to investigate. Through this motion, what are you asking the Speaker to investigate?

Mr. Victor Fedeli: I'm not asking him to investigate. We're informing him of the decision that came from this committee.

Interjections.

The Chair (Mr. Michael Prue): I don't think the committee can do this. Personally, I've thought of this, and I don't see how we can do it. There is nothing to stop you, Mr. Fedeli, any of the members of your caucus, any members of the government or anyone else standing up in the House on a point of privilege and making a statement to the Speaker. But I don't think that we can, as a combined committee, ask him to do the impossible. There is no breach. We cannot report to him that he must—a report that he do something; there is nothing for him to do. I don't know any way around this.

Mr. Victor Fedeli: So your point is the fact that there's no breach means we don't have to write—

The Chair (Mr. Michael Prue): The fact that there is no breach. There is nothing for us to report. How do you report nothing?

Mr. Bas Balkissoon: It's 6 o'clock.

The Chair (Mr. Michael Prue): Yes, it is 6 o'clock. Do you—

Mr. Mike Colle: Move adjournment?

The Chair (Mr. Michael Prue): No; we're automatically adjourned. I just need to know whether anyone wishes to continue this debate. It would be tomorrow if you wish to continue this debate. Does anyone wish to? If not, I will not schedule for tomorrow.

Mr. Mike Colle: I would like to get clarification tomorrow on exactly what has transpired.

The Chair (Mr. Michael Prue): So do you want the committee to meet again tomorrow?

Mr. Mike Colle: Yes.

The Chair (Mr. Michael Prue): All right. If we have a request—

Mr. Steve Clark: Well, if the committee is going to meet tomorrow, I want to know a little more details about the company that did the redacting.

The Chair (Mr. Michael Prue): If we meet, anything can be brought. We have a request that we continue, so I'm going to ask the Clerk to schedule tomorrow at 3:45 and any—

Mr. Victor Fedeli: The Chair says there's no breach. The Clerk says they came—it was all information resolved to be released.

The Chair (Mr. Michael Prue): Mr. Natyshak.

Mr. Taras Natyshak: Mr. Colle had indicated that he's unclear, but it's more targeted towards the issues within his own caucus. He also indicated that he wanted to speak to his House leader about some unanswered questions. Might he want to do that and bring any of his focus to the subcommittee prior to having another meeting? If we're just going to answer questions that he believes could be answered through his own House leader—

The Chair (Mr. Michael Prue): There are many possibilities—

Mr. Taras Natyshak: I'd like to know what the focus of tomorrow's meeting would be.

The Chair (Mr. Michael Prue): The reason we are here today is that a member, Mr. Leone, requested a meeting. He came to me and requested it, and I called it. If Mr. Colle wants to request that there be a meeting tomorrow, I will give him the same courtesy that I gave Mr. Leone. So, Mr. Colle, do you want to meet tomorrow?

Mr. Mike Colle: Well, all I want is a clarification of what is happening. I don't know if it requires the full committee to meet—

The Chair (Mr. Michael Prue): No, I need to know from you now: Are we meeting tomorrow? Because I will instruct the Clerk.

Mr. Taras Natyshak: If the clarification you seek is from your own House leader, then seek it and then come back to the committee or request the committee meet on questions.

Mr. Mike Colle: I'm told that I can discuss this with my own House leader on my own time, so I don't want to meet tomorrow.

The Chair (Mr. Michael Prue): All right. There being no request that we resume this tomorrow, I would move that the committee is adjourned.

The committee adjourned at 1800.

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Deuxième session, 40^e législature

Official Report of Debates (Hansard)

Tuesday 29 April 2014

Journal des débats (Hansard)

Mardi 29 avril 2014

Standing Committee on Estimates

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Comité permanent des budgets des dépenses

Travaux du comité



Chair: Michael Prue
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 29 April 2014

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 29 avril 2014

The committee met at 1549 in room 151.

COMMITTEE BUSINESS

The Chair (Mr. Michael Prue): We'll call the meeting to order. We have received a letter dated April 11, 2014, addressed to me and given to the committee members. It's signed by Michael Chan, Minister, turning over a great many documents. He writes in part, "As you know, on November 19, 2013, I provided the committee with approximately 21,000 responsive records totalling 76,000 pages and on February 14, 2014, I provided the committee with approximately 5,000 responsive records totalling approximately 45,000 pages."

Now he is providing additional documentation—40,000. "In today's package, I have included approximately 5,000 responsive records totalling approximately 40,000 pages."

The committee needs to determine what it wants to do with these new 40,000 pages. To make matters easy, what we have done in this committee in the past, not only with this ministry but with other ministries, is that we have agreed to take the copies both in redacted form and unredacted form. The redacted ones can be made public if the committee so decides. The unredacted ones we have, in the past, kept in the confidence of the committee, and any member wishing to release them must come back to the committee to do so.

That's, in a nutshell, what we have done, but I am in the committee's hands to do whatever you want with this package.

Mr. Paul Miller: Mr. Chairman, obviously we've taken delivery of the other boxes. I'm actually having trouble getting through my door in my office. But if we've accepted the other ones, we're certainly going to accept these, in my opinion.

The Chair (Mr. Michael Prue): If you want to deal with it in the same way, we do have a motion. Mr. Miller, are you prepared to move the motion? I can have the Clerk deliver them out.

This is a similar, if not identical, motion that has been made in other cases, so if members would take a moment to read it.

Mr. Rob Leone: There are the two sets, redacted and unredacted? The same thing?

The Chair (Mr. Michael Prue): That's correct.

Mr. Miller, if you are prepared to make this motion, if you would read it into the record.

Mr. Paul Miller: I move that the Standing Committee on Estimates accepts the information received on April 11, 2014, that is responsive to the October 22, 2013, motion adopted in committee during the review of the 2013-14 estimates of the Ministry of Tourism, Culture and Sport;

That one copy of all redacted and unredacted documents received be provided to each caucus and that the caucuses keep the unredacted documents confidential;

That the Ministry of Tourism, Culture and Sport be notified in advance should the committee decide to make the unredacted documents public; and

That the redacted documents be made public.

The Chair (Mr. Michael Prue): Everybody has heard the motion. Is there any discussion? Mr. Del Duca.

Mr. Steven Del Duca: I just have a quick question. I don't, as you would know, ordinarily serve or spend a lot of time on this committee, I'm sorry to say, but I'm just wondering, because I know this committee has dealt with a lot of requests like this: Is this motion in keeping and consistent with what's taken place here?

Mr. Paul Miller: Yes.

The Chair (Mr. Michael Prue): As far as I know, as the Chair, but I'll turn it over to the Clerk, who is completely unbiased. As far as I know, this is identical or nearly identical. The only thing that is different that is being pointed out—"the information received on April 11, 2014;" the date, of course, is different from the other one.

Mr. Steven Del Duca: So is that why a motion is needed, because of the date being specified?

Mr. Paul Miller: Any time you accept documents, you have to move a motion.

Mr. Steven Del Duca: Still learning, Paul.

Mr. Paul Miller: I'm just helping you out.

The Chair (Mr. Michael Prue): Is there any further discussion on this motion? There is another potential motion following this. Is there any discussion on this motion?

Mr. Rob Leone: I would, Chair, just like to state again for the record that, considering the fact that this is in keeping with what we have done in the Standing Committee on Estimates before with documents that we've received, whether they be finance documents or health documents and Pan Am documents now, I think the rule from our vantage point is that we should stay consistent with what we have done in the past. I would certainly

support the motion moved by my colleague Mr. Miller from Hamilton East—Stoney Creek as a result of doing exactly what he suggested here.

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So from that perspective, I will concur, and I think that the Standing Committee on Estimates should also agree with this.

The Chair (Mr. Michael Prue): Any other discussion? Seeing none, I'm going to call for the vote. All those in favour of Mr. Miller's motion? Opposed? That carries.

There is a further motion that may be necessary, and I don't know if the committee can deal with the others, but the Clerk informs me that what has happened in the past is that the redacted copies are made available to the public through the library, and he ships those off. The unredacted copies sit in the Clerk's office, and the office is getting very, very full. He has requested a motion—and he has prepared one, if somebody would be prepared to move it—that the Clerk be authorized to hold the unredacted documents until the dissolution of this Parliament, after which time he would return them to the ministry—

Interjection.

The Chair (Mr. Michael Prue): Well, okay—because he doesn't want to gum up the works of the Clerk's office. Pretty much, that's what it is. You can understand, I think, all of you. Mr. Miller has I don't know how many boxes in his office—

Mr. Paul Miller: A few.

The Chair (Mr. Michael Prue): A few, and I'm sure that other members have a few as well, or have them in some place. That is his request, but I leave it in the committee's hands.

Mr. Miller.

Mr. Paul Miller: Certainly I relate to his problem of moving around in the office, obstructions and probably a safety hazard too; I'm not sure. I have no problem with that. The only problem I have is that if he's returning it to the ministry after whatever happens, I'm not sure that's advisable, because we may have gotten through a third of them or not even, and we may not have gotten to those boxes. Once they're returned to the ministry, how are we going to access that stuff at the ministry when we need to get—if I finish box 5 and I need box 6 and it's already gone back to the ministry, what are we going to do there?

The Chair (Mr. Michael Prue): No, no. As I understand it, the NDP gets to keep, the Conservatives get to keep—

Mr. Paul Miller: Oh, it's just your office?

The Chair (Mr. Michael Prue): It's just his office.

Mr. Paul Miller: Oh. You're okay, but I'm not? Oh, I've got to trip over them.

The Chair (Mr. Michael Prue): Each caucus has those documents and can keep them forever, if you wish. The thing is that the Clerks—what would they do with them? So they simply want to return them to from whence they came. That's my understanding. And it would be at the dissolution of the Parliament. If the

budget passes in the next few weeks, then he would continue to hold on to them until we actually go to the polls.

Mr. Paul Miller: That's fair. I have no problem.

The Chair (Mr. Michael Prue): Mr. Leone.

Mr. Rob Leone: Just so I'm clear on exactly what's happening, the redacted copies that are now public remain such; they're going to the library.

The Clerk of the Committee (Mr. Katch Koch): Correct. The redacted copy will be archived at the end of the Parliament.

Mr. Rob Leone: The unredacted, which we also have a copy of in our caucuses and you have in your office—we are still able to keep those documents.

The Clerk of the Committee (Mr. Katch Koch): Yes. They are the property of the caucuses now.

Mr. Rob Leone: The unredacted copies that you have would be returned to the ministry.

The Clerk of the Committee (Mr. Katch Koch): Correct.

Mr. Rob Leone: Now, we have several motions, and we just passed one, that state that if we want to make unredacted documents public, we'd have to come back to the Standing Committee on Estimates to do that, to have a discussion about a potential release. Can a future Parliament, a future Legislature, a future session make that request—the Standing Committee on Estimates? Is that going to carry through to the next session or the next Parliament, should we have an election or should there be a prorogation? Does this motion carry forward forever, as such?

The Clerk of the Committee (Mr. Katch Koch): At the dissolution of Parliament, this business item would be dead. If future committees decide to bring the business back, you can do that as a committee.

Mr. Rob Leone: So my question, then, becomes: Does that mean, at dissolution, that the unredacted documents—there's no control over them, essentially? They are public?

The Clerk of the Committee (Mr. Katch Koch): No. You're still bound by the motion that was passed by the committee, that the unredacted be kept confidential by the caucuses. You're still bound by that.

Mr. Rob Leone: Okay. I'm just trying to be clear on what we're doing here. Should we decide to bring another item back in a future Parliament, how would that be verified by the committee and the Clerk, if the Clerk no longer has access to the documents that we're asking to be made public, if that's what we want to do?

The Clerk of the Committee (Mr. Katch Koch): I guess if we look at the previous example, where Mr. Fedeli had brought back three documents, he provided the documents to the committee. He's asking the committee to consider making these three documents public. The documents will originate from the member.

For me to go back and check to see whether it's something that came from the redacted pile or the unredacted—I still have the redacted, because they are exhibited; they are public documents. I would not look into the unredacted documents.

Mr. Rob Leone: Right, and do you have all these documents on an electronic USB or some—

The Clerk of the Committee (Mr. Katch Koch): No. It depends on the original request of the committee. In this case, for the Ministry of Tourism, Culture and Sport, the committee did not ask for any documents in an electronic format. This is why the ministry is providing the documents in hard copies.

Mr. Rob Leone: Okay.

Mrs. Laura Albanese: I'm just looking at you.

Mr. Rob Leone: Sorry?

Mrs. Laura Albanese: At MPP Miller. Sorry.

The Chair (Mr. Michael Prue): Mr. Miller.

Mr. Paul Miller: I dare to ask, but why wouldn't we have requested them in electronic discs? It would have been a lot less cumbersome.

The Chair (Mr. Michael Prue): If I can speak, as the Chair: For the life of me, I have no idea.

Mr. Paul Miller: Can we still do it?

The Chair (Mr. Michael Prue): I don't know. I don't think so.

Mr. Paul Miller: No?

The Chair (Mr. Michael Prue): No, I don't think so.

Mr. Paul Miller: Boy, a lot of trees gave up their lives for this.

The Chair (Mr. Michael Prue): Yes. The mandate of this committee has expired, save and except to deal with past administrative issues and past motions and requests that have been made. This would be a new request, and we are beyond our time frame to do so. In fact, this is the longest, I am absolutely confident, that an estimates committee has ever lasted in the history of this House.

Mr. Paul Miller: Okay. It's the unredacted and redacted copies that we possess in our offices—

Interjection: Yes.

Mr. Paul Miller: We eventually get to the end of the trip here. Where does our stuff—because obviously it's confidential, half of it—who takes it out of our office, where does it go, and how do we get at it in the future, if we want to?

The Clerk of the Committee (Mr. Katch Koch): They are properties of the caucus, and you're still bound by the motion passed by the committee to keep it confidential.

Mr. Paul Miller: They did this to really give us a hard time, I think. This is starting to really be vindictive.

Interjections.

Mrs. Laura Albanese: Sorry, I have a question. If, at one point, a caucus would like to dispose—I have two questions, actually. The first one would be: If a caucus does not want to have them anymore in their possession, would they be brought to the archives?

The Clerk of the Committee (Mr. Katch Koch): No, because if you send it to the archive, it becomes public documents.

Mrs. Laura Albanese: Okay. So the question is: Where would they be brought?

Mr. Paul Miller: We'll have to borrow your shredders.

Mrs. Laura Albanese: Shredders.

The Clerk of the Committee (Mr. Katch Koch): I guess that's one possibility.

Mrs. Laura Albanese: The second question that I had is: Upon the dissolving of the Legislature—

The Clerk of the Committee (Mr. Katch Koch): The dissolution of Parliament, yes.

Mrs. Laura Albanese: Yes, the dissolution of Parliament. When a new government comes back and the Standing Committee on Estimates sits again, other items would be brought forward. At that point, if a caucus is still in possession of these documents, could they still ask that they be made public, or, because the matter is not in front of the committee any longer, could that not happen?

The Clerk of the Committee (Mr. Katch Koch): Yes, it is the will of the committee. If the committee still wants to revisit something, if the committee was—

Mrs. Laura Albanese: It would be the will of the majority of the members of the committee.

The Clerk of the Committee (Mr. Katch Koch): Yes.

Mrs. Laura Albanese: Thank you.

The Chair (Mr. Michael Prue): If I might state that, the committee has to be re-struck de novo, starting again, within—what is it, 12 sessional days after the budget is read? Something like that. Ten or 12 days after the budget is read, the Standing Committee on Estimates must be reformatted, re-struck, and starts with a new round. The committee always exists; it always exists. However, the new members are chosen, and then the Chair and everything. It all starts.

The Clerk of the Committee (Mr. Katch Koch): That would be after a Parliament.

The Chair (Mr. Michael Prue): Yes.

The Clerk of the Committee (Mr. Katch Koch): Ten sessional days following the commencement of Parliament, committees should be struck, according to our standing orders. That's when they figure out the membership for the committees. The membership for a committee would be struck for the duration of a Parliament, but from time to time the House can change the membership of a committee.

The Chair (Mr. Michael Prue): Okay. I had that a little wrong, but there is a provision here, something that occurs at 10 or 12 days—

The Clerk of the Committee (Mr. Katch Koch): Consideration of estimates.

The Chair (Mr. Michael Prue): Consideration of estimates, with a new round and new ministries being called and those kinds of things, will happen within 10 or 12 days or so after the budget is read.

Mrs. Laura Albanese: So if the committee is reconstituted with the same members—

The Chair (Mr. Michael Prue): It could be.

The Clerk of the Committee (Mr. Katch Koch): The committee exists.

Mrs. Laura Albanese: The committee exists in its present form until the future—

The Clerk of the Committee (Mr. Katch Koch): Correct. By the third Thursday of November, the committee is required by the standing orders to report the estimates back. Once you report the estimates back to the House, the committee can no longer discuss the estimates.

What the committee has been doing is meeting to deal with administrative matters, anything that's outstanding. In this case, it is about documents that the committee has requested during the consideration of the estimates of ministry X, Y, Z, and because those documents are trickling in at a different time, the committee can still meet to decide what to do with it and how to handle it. You could not talk about estimates, but you could talk about what to do with documents that you receive.

The Chair (Mr. Michael Prue): Okay. We have a proposed motion. I think we should speak to a motion. Enough questions have been asked here. I think Mr. Clark would like to move it.

Mr. Steve Clark: I'll read it first and then move it.

The Chair (Mr. Michael Prue): Okay. If you would wait so that all members have a copy in front of them

before you read it. Mr. Clark, I believe you wish to read the motion.

Mr. Steve Clark: Yes, Chair. I move that the Clerk of the committee return all confidential documents received during the review of the 2013-14 estimates that have not been made part of the committee's public record to the senders at the dissolution of the 40th Parliament.

Mr. Steven Del Duca: I'll second that.

The Chair (Mr. Michael Prue): Okay. We have a mover and a seconder. We don't require a seconder, but we have one anyway. Any discussion on the motion? No discussion on the motion? All those in favour? Opposed? That carries.

Is there any other business? I didn't have any others. Is there anything else related to this? Seeing none, we will adjourn, at 4:12 p.m.

The committee adjourned at 1612.

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Mr. Katch Koch

Staff / Personnel

Mr. Jerry Richmond, research officer,
Research Services

